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ABSTRACT

This study examines the current Texas school finance plan, the finance plans and proposals of other states, national school finance research, and the results of a survey of Texas leaders and educators before presenting alternative revenue and distribution plans, their effects and costs, and possible revenue sources. The study was conducted under the assumption that any new plan should achieve equalization of access to educational opportunity and equity in taxation. The committee concluded that the following factors should be reflected in the revised plan: ad valorem taxes should continue to be a major source of revenue, ad valorem tax reform is necessary to assure equity, local enrichment above the statewide program should be limited, taxpayer burdens should be equalized, and school districts should have equal access to education program funds. The preferred new plan improves support levels for most school districts, allows some local flexibility in setting tax rates, limits enrichment prerogatives, increases local control by allowing districts to determine staff composition, provides an improvement in the equity of taxation, uses ad valorem tax collections in the districts in which they are collected, and continues to distribute Available School Fund proceeds on a per capita basis. (Author/IRT)

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EA 007 763

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# REPORT OF THE JOINT SENATE INTERIM COMMITTEE TO STUDY PUBLIC SCHOOL FINANCE

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SENATE INTERIM COMMITTEE TO STUDY PUBLIC SCHOOL FINANCE

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(* AMOUNTS EXPRESSED IN THOUSANDS)

| DISTRICT NAME | AVERAGE DAILY MEMBERSHIP | BASIC PROGRAM ALLOWANCE* | LOCAL SHARE* | STATE SHARE* | FOUNDATION FUNDS*/ AVAILABLE SCHL FUNDS* | TOT BASIC FUNDS*/ BASIC TY RATE | MAXIMUM LEEWAY*/ LEEWAY TAX RATE | LEEWAY LOCAL SHARE* | LEEWAY STATE SHARE* | FUNDING*/ TOTAL MAX RATE | REVENUE PER ADM |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NOLANVILLE CSD | 153 | $ 84 | $ 56 | $ 38 | $ 2 | $ 98 | $ 9 | $ 9 | $ 0 | $ 103 | $ 673 |
| | | | 59.7 | 40.3 | $ 1 | 0.58686 | 0.09166 | 100.0 | 0.0 | 0.63852 | |
| SCARSBY ISD | 403 | $ 270 | $ 54 | $ 218 | $ 17 | $ 270 | $ 27 | $ 12 | $ 15 | $ 287 | $ 738 |
| | | | 19.8 | 81.2 | $ 8 | 0.58686 | 0.13429 | 46.2 | 53.8 | | |
| BARTLETT ISD | 495 | $ 380 | $ 99 | $ 281 | $ 19 | $ 380 | $ 38 | $ 28 | $ 10 | | |
| | | | 28.7 | 70.8 | $ 5 | 0.58686 | 0.13429 | 73.7 | 26.3 | | |
| APLTON ISD | 3,058 | $ 2,080 | $ 425 | $ 1,655 | $ 1,28 | $ 2,080 | $ 208 | $ 104 | $ 104 | | |
| | | | 20.9 | 79.1 | $ 33 | 0.58686 | 0.13429 | 51.2 | 48.8 | | |
| HOLLAND ISD | 299 | $ 201 | $ 135 | $ 66 | $ 3 | $ 201 | $ 20 | $ 20 | $ 0 | | |
| | | | 67.3 | 32.7 | $ 3 | 0.58686 | 0.08130 | 100.0 | 0.0 | | |
| KILLEEN ISD | 11,868 | $ 7,896 | $ 866 | $ 6,630 | $ 5,78 | $ 7,896 | $ 789 | $ 308 | $ 481 | | |
| | | | 11.3 | 88.7 | $ 1,29 | 0.58686 | 0.13429 | 39.0 | 61.0 | | |
| ROGERS ISD | 568 | $ 395 | $ 92 | $ 303 | $ 24 | $ 395 | $ 40 | $ 33 | $ 7 | $ | |
| | | | 23.3 | 76.7 | $ 6 | 0.58686 | 0.13429 | 82.5 | 17.5 | 0.69116 | |
| SALADO ISD | 403 | $ 318 | $ 101 | $ 2 | $ | $ 212 | $ | $ | $ | 212 | $1,088 |
| | | | 100.0 | 15.9 | $ 2 | 0.58686 | 0.00000 | 0 | 0 | 0.58686 | |
| [illegible] ISD | 7,539 | $ 4,961 | $ 1,303 | $ 3,568 | $ 2,78 | $ 4,961 | $ 496 | $ | $ | 5,851 | $ 776 |
| | | | 28.1 | 71.9 | $ 82 | 0.58686 | 0.13429 | 0 | 0 | 0.69116 | |
| [illegible] ISD | 463 | $ 315 | $ 183 | $ 132 | $ 12 | $ 315 | $ 32 | $ | $ | | $ 760 |
| | | | 85.5 | 58.5 | $ 5 | 0.58686 | 0.12011 | 0 | 0 | 0.66697 | |
| [illegible] HEIGHTS ISD | 5,050 | $ 3,575 | $ 1,470 | $ 2,105 | $ 1,55 | $ 3,575 | $ 357 | $ 357 | $ 0 | $ | $ 777 |
| | | | 41.1 | 58.9 | $ 55 | 0.58686 | 0.13301 | 100.0 | 0 | 0.67987 | |
| HARLINGDALE ISD | 17,886 | $ 11,293 | $ 882 | $10,411 | $ 8,50 | $ 11,293 | $ 1,129 | $ 207 | $ 922 | $ | $ 636 |
| | | | 7.5 | 92.5 | $ 1,080 | 0.58686 | 0.13429 | 18.3 | 81.7 | 0.69116 | |
| [illegible]OOD ISD | 22,222 | $ 12,887 | $ 576 | $12,311 | $ 8,901 | $ 12,887 | $ 1,290 | $ 141 | $ 1,158 | $ 18,286 | $ 583 |
| | | | 4.5 | 95.5 | $ 2,421 | 0.58686 | 0.13429 | 10.9 | 89.1 | 0.69116 | |
| SAN ANTONIO ISD | 78,190 | $ 47,852 | $ 9,627 | $38,225 | $ 30,151 | $ 47,852 | $ 4,786 | $ 2,364 | $ 2,422 | $ 52,640 | $ 710 |
| | | | 20.1 | 79.9 | $ 8,086 | 0.58686 | 0.13429 | 49.4 | 50.6 | 0.69116 | |
| SO SAN ANTONIO ISD | 5,356 | $ 5,572 | $ 600 | $ 4,972 | $ 3,063 | $ 5,572 | $ 557 | $ 147 | $ 410 | $ 6,129 | $ 662 |
| | | | 10.8 | 89.2 | $ 1,009 | 0.58686 | 0.13429 | 26.5 | 73.5 | 0.69116 | |

PREPARED BY...
PEAT, MARWICK, MITCHELL & CO.

# PUBLIC SCHOOL FINANCE

2

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March 20, 1973

The Honorable Oscar H. Mauzy, Chairman
Joint Interim Committee to Study
Public School Finance
The Senate of the State of Texas
State Capitol
Austin, Texas 78701

Dear Senator Mauzy:

We have completed our assignment to assist the Joint Interim Committee to Study Public School Finance (the Committee or the Senate Committee) in its deliberations concerning public school financing for the State of Texas. The attached report has been prepared to document the study program we conducted while providing staff services for the Committee. In this introductory letter, we discuss details of the Committee's preferred alternative financing plan and indicate generally the nature of the material included in the body of the report.

STUDY BACKGROUND

In late 1971, the U. S. District Court in San Antonio held that the current Texas school finance system violates the Fourteenth Amendment to the U. S. Constitution by discriminating against school districts with comparatively low property wealth. This landmark decision, known as the Rodriguez case, required the defendants and the Texas Legislature to determine a new method of financing public education. The court said that the

selection of a new plan could be made from a wide variety of plans. Basically, the court imposed two requirements on any new plan. Those requirements are (1) that funds to support public schools, including, without limitation, funds derived from taxation of real property, must be reallocated and (2) that the quality of education may not be a function of wealth other than the wealth of the State as a whole.

While the Rodriguez case is currently under appeal to the U. S. Supreme Court, there is substantial belief on the part of educators, legislators, taxpayers, and others throughout the State that the current school finance plan needs significant improvement regardless of the outcome of the Rodriguez litigation.

Our entire study program was conducted under the assumption that at least the following two objectives should be sought through any new finance plan to be adopted by the Legislature:

1. Equalization of access to educational opportunity - each local school district should be able to provide an educational program of comparable quality to that of other districts throughout the State.

2. Equity in taxation - the finance plan should derive revenues from tax practices which eliminate or minimize disparities between taxpayers in similar circumstances. Equal tax effort should produce equal revenue.

The matter of capital costs was not considered in our study program. Accordingly, this report relates only to financing the current operating costs of Texas public schools.

## BASIC STUDY CONCLUSIONS

As part of its deliberations, the Committee accepted the conclusion that the following factors should be reflected in the revised Texas school finance plan:

Ad valorem taxes should continue to be a major source of public school revenues. Ad valorem taxes provided in excess of $800 million for school maintenance and debt service in 1970-71. Estimates increase this total to $1 billion by 1972-73. To replace ad valorem taxes with another tax that would yield $1 billion appears politically unrealistic. Personal income taxes and corporate profits taxes could be used to replace yields lost through an abolition of ad valorem taxes. While the incidence of an income tax might fall more upon those who have higher incomes, the political atmosphere does not seem to support this tax shift, particularly at the rates required to generate $1 billion.

Ad valorem tax reform is necessary to assure equity. Reform measures should be adopted to ensure that all classes of property and all classes of taxpayers are treated equitably. Assessment based on property market values is seen as one step in ensuring this equity. Once market values have been determined, they may be used as the basis for assigning local shares of the public school financing costs to individual school districts.

Local enrichment (leeway) above the statewide program should be limited. District expenditures per average daily attendant (ADA) varied from almost $4,000 to approximately $400 in 1970-71. While significant differences in allowances made to districts may occur within the Foundation School Program ($1,200 to $350 per ADA), most of the difference that creates the 10 to 1 gap occurs when districts enrich their programs above state minimums. Sizeable disparities in expenditures between districts may be expected to continue if unlimited local enrichment prerogatives are allowed to remain.

Taxpayer burdens should be equalized. Because property wealth is unevenly distributed among the school districts in the State, tax yields do not correlate well with tax rates. In some districts, low rates produce high yields while in others high rates produce low yields. State guarantees and supports should be established to increase tax yields in those districts with low concentrations of property wealth.

School districts should have equal access to educational program funds. In Rodriguez, the plaintiffs did not argue for equalized expenditures per student. Implicit in their argument and the court's decision, however, was a call for a rational basis for distributing the total of funds available within the State for public school purposes. Accordingly,

a new finance plan should be constructed in a manner which provides to local school districts with low per pupil wealth an equal opportunity (based on financial resources available) to provide their pupils with educational programs available to a majority of the public school pupils throughout the State.

COMMITTEE'S PREFERRED PLAN

The Committee considered twelve revenue generating and fund distribution plans which address the problems set forth in the Rodriguez case. At the conclusion of its deliberations, the Committee expressed a preference for one of the revenue/distribution plans. The preferred plan, referred to as the "Improved Foundation School Program - Variable Personnel Component," has the following general characteristics:

- Improves support levels for most school districts;
- Allows some local flexibility in setting tax rates;
- Limits enrichment prerogatives;
- Increases local control by allowing districts to determine staff composition;
- Provides an improvement in the equity of taxation;
- Uses ad valorem tax collections in the districts in which they are collected; and
- Continues to distribute Available School Fund proceeds on a per capita basis.

A plan embodying these characteristics cannot be described as the most equitable solution to the school finance dilemma. However, such a plan should provide significant assistance to districts with below average property wealth while inflicting few, if any, restrictions on those districts with extremely high concentrations of property wealth.

Revenue Generation

As in the current Foundation School Program, the Committee's preferred plan would be financed through a State/local school district partnership. State revenues would be obtained from existing tax sources or from increases in existing taxes. Local revenues would continue to be derived from the collection of an ad valorem tax. State support for education would continue to be a high priority expenditure and be guaranteed through the "automatic" funding provisions now in effect. Other specific provisions for generating revenue would be as follows:

1. State and local sharing rates would be set at 60%-40%. Under this theoretical split, the State would pay for 60% of the program entitlement allowed and local districts would provide 40%. The assumed partnership in the current program is 80%-20%, but the substantial enrichment added by local districts has produced an effective ratio of 54%-46%. A 60-40 ratio would increase the State's share while keeping the funding requirements of both partners within reason.

2. Property market values would serve as the basis for taxation and the means for determining local fund assignments. If ad valorem taxes are to be continued as a major source of funds for public schools, their collection should depend on a common base. Market value or a competent estimate of market value appears to be the most appropriate common base. Once market values are established, they should also be used to assign local district shares of the overall program costs.

3. Statewide maximum and minimum tax rates would be established. The maximum tax levy to be imposed by any district would be calculated as follows:

$$\frac{\text{40\% of total entitlement allowed to all school districts}}{\text{Total market value of all Texas property}} = \text{Statewide maximum tax rate}$$

School districts could not levy a tax on market values exceeding the statewide maximum tax rate, nor could they assess a tax of less than 75% of the statewide maximum.

The floor and ceiling act to equalize tax rates throughout the State, guarantee a minimum level of tax effort in all school districts, and allow some local discretion in determining educational support levels.

4. The exact proportion of a district's financial support which comes from state funds would be determined by the district's tax base. State funds would be delivered to districts in accordance with the following formula:

   District support entitlement
   -District computed tax revenue (district's property market value x statewide maximum tax rate)
   -Available School Fund per capita distribution
   =State support to district (Foundation School Funds)

5. The Available School Fund would be distributed on the basis of average daily membership. Available School Funds are currently distributed to districts on the basis of their average daily attendance. All districts share in this distribution regardless of their ability to support themselves. The Committee's preferred plan provides that average daily membership be adopted as the basis for determining funding entitlement and for distributing the Available School Funds. All districts would continue to receive distributions from the Available School Fund.

6. No contributions to a statewide equalization fund would be required. Local tax revenues would be used only in the districts where they are collected. Districts with a significant concentration of property wealth would not be required to contribute to a state equalization fund. However, limitations on tax rates would be imposed on high wealth districts. Such districts would be limited to a tax rate that when combined with Available School Fund distributions would yield revenues equal to the greater of (a) the district's program entitlement plus allowable leeway, or (b) the 1972-73 per pupil expenditure level multiplied by student membership of a particular funding year. In some instances, this provision would allow districts a tax rate less than the 75% state minimum tax. A few other districts would be limited to a tax in the 75%-100% range. Most districts would be allowed to use the maximum tax rate and would be able to exercise the prerogative of choosing their own tax rate between the 100% ceiling and the 75% floor.

Distribution Provisions

The Foundation School Program currently furnishes support to school districts in three major categories - personnel, transportation, and

maintenance/operations. The Committee's preferred plan retains the categorical support concept. However, staffing flexibility, limited enrichment, and unrestricted program funds are built into the plan to enhance local control while limiting extreme expenditure variations. The components of the preferred plan are as set forth below.

1. Personnel Component - Districts would be allowed 52.5 personnel units per 1,000 weighted average daily members (WADM). Weighting of student membership is employed to recognize cost differentials at various levels of instruction. The following weights are recommended:

| | |
|---|---|
| Kindergarten | 1.30 |
| Regular education 1-6 | 1.00 |
| Regular education 7-9 | 1.20 |
| Regular education 10-12 | 1.40 |
| Full-time vocational 9-12 | 1.80 |
| Special education: | |
| Physical handicap | 3.25 |
| Mental handicap | 1.90 |
| Speech handicap | 1.48 |

A district could utilize its personnel unit allowance in a manner consistent with its own priorities. Employees would be assigned unit weights related to the Texas State Public Education Compensation Plan and the district could choose its own mix of personnel up to its limit of 52.5 weighted units per 1,000 WADM. Employee weights would be as follows:

| | |
|---|---|
| Teacher-Bachelors degree, certified | 1.00 |
| Teacher-Masters degree, certified | 1.05 |
| Special service unit (Nurse, Librarian)-Bachelors degree | 1.00 |
| Special service unit (Nurse, Librarian)-Masters degree | 1.05 |
| Teacher-No degree, certified | 1.00 |
| Special service unit-No degree | .95 |
| Counselor | 1.20 |
| Supervisor | 1.20 |
| Principal | 1.30-1.50 |
| Assistant Principals | 1.20-1.40 |
| Part-time Principals | .20- .25 |
| Administrative | 1.20-2.00 |
| Superintendent | 1.50-2.50 |
| Aides | .50- .75 |
| Clerical | .50- .75 |

This plan would activate all positions in the Texas State Public Education Compensation Plan and base district allowances on salary levels stipulated in the Plan.

2. Transportation Component - Transportation assistance would be provided for students living two or more miles from school. An allowance per eligible pupil transported is to be computed using a density factor--eligible pupils transported (daily) divided by route miles traveled (daily). Suggested allowances for density factors are as follows:

| Density Factor | Annual Allowance Per Pupil |
|---|---|
| .200 and below | $ 120.00 |
| .201 to .250 | 116.00 |
| .251 to .299 | 111.00 |
| .300 to .349 | 106.00 |
| .350 to .399 | 99.00 |
| .400 to .449 | 93.00 |
| .450 to .499 | 86.00 |
| .500 to .599 | 81.00 |
| .600 to .699 | 76.00 |
| .700 to .799 | 72.50 |
| .800 to .999 | 65.00 |
| 1.000 to 1.199 | 56.00 |
| 1.200 to 1.399 | 52.50 |
| 1.400 to 1.599 | 46.00 |
| 1.600 to 1.799 | 43.00 |
| 1.800 to 1.999 | 41.00 |
| 2.000 to 2.499 | 39.00 |
| 2.500 to 2.999 | 35.00 |
| 3.000 to 3.999 | 31.00 |
| 4.000 to 5.999 | 28.00 |
| 6.000 and above | 24.00 |

3. Maintenance and Operation Component - An allowance of $70 per weighted average daily member would be provided to meet costs of operating and maintaining school facilities, equipment, and property.

4. Program Emphasis Component - A wide variety of factors affect school district operation such as geographic location, incidence of crime, climate, and needs of the community. Many of these factors are unquantifiable. Even though precise needs are not measurable, it seems desirable to provide funds to meet these special needs or to develop special programs over and above those considered to be a part of a regular education program. An

allowance of $100 per average daily member is recommended for this program. While the intent is to provide for local control over the expenditure of these funds, some practical limitations may be necessary. As an example, amounts used to supplement salaries might be limited to $50 per ADM.

5. Other Support - The preferred distribution plan provides that the following programs be included in the Foundation Program and be continued in their present form or be modified as indicated:

| Program | Recommended Change |
|---|---|
| Pre-school age deaf | None |
| County-wide day school for deaf | None |
| Educational television | None |
| Regional computer and media services | None |
| Teacher sick leave | Increase to $25 per day |
| Student teaching | None |
| Supplemental salary aid | None |
| Pre-school non-English speaking | None |

6. Local Enrichment - Through the adoption of an optional local tax, districts could supplement their allowances provided by the new Foundation Program. Supplements would be limited to 10% of their Foundation Program entitlement but could be less if a district desires. A statewide maximum leeway tax rate would be set according to the following formula:

$$\frac{10\% \times \text{total entitlement allowed to all school districts}}{\text{Total market value of all Texas property}} = \text{Maximum leeway tax rate}$$

Districts which are unable to generate their 10% supplement when the maximum leeway tax is applied to the market value of their property would receive state contributions to make up any difference. In districts where the maximum tax rate would yield more than the 10% enrichment, leeway tax rates would be reduced to a level that would yield only the 10% supplement. If a district's maximum tax rate (Foundation Program rate) or a lesser tax rate yields more revenue than the district's entitlement plus allowable enrichment, no further enrichment would be permitted. Districts that choose enrichment levels less than 10% would receive State support in the same proportion they would receive at the maximum level of enrichment.

Statewide Program Costs

Total maximum statewide costs of the Committee's preferred plan have been projected for the period between 1970-71 and 1978-79. The results of these projections may be seen in the following table:

| Year | Estimated Maximum State Funds Required | Estimated State Increase From 1970-71 Actual | Estimated Maximum Local Funds Required | Estimated Local Increase From 1970-71 Actual |
|---|---|---|---|---|
| | | (000 omitted) | | |
| 1970-71 | $ 1,216,379 | $ 309,225 | $ 829,876 | $ 182,741 |
| 1971-72 | 1,276,880 | 369,726 | 870,316 | 223,181 |
| 1972-73 | 1,309,055 | 401,901 | 892,246 | 245,111 |
| 1973-74 | 1,354,013 | 446,859 | 922,889 | 275,754 |
| 1974-75 | 1,444,447 | 537,293 | 984,529 | 337,394 |
| 1975-76 | 1,467,741 | 560,587 | 1,000,406 | 353,271 |
| 1976-77 | 1,475,883 | 568,729 | 1,005,955 | 358,820 |
| 1977-78 | 1,470,895 | 563,741 | 1,002,556 | 355,421 |
| 1978-79 | 1,539,250 | 632,096 | 1,049,146 | 402,011 |

FUNDS DISTRIBUTED TO DISTRICTS

Projections of specific amounts to be provided to each Texas school district under the Committee's preferred alternative have been developed using computer technology and are available in your office and in the Texas Education Agency. In terms of statewide averages, districts received $594 per ADM in 1970-71 under the existing finance plan. Use of the Committee's preferred alternative would have provided an average basic program entitlement of $698 per ADM. Leeway provisions could add a maximum of $62 to this amount resulting in total funds averaging $760 per ADM.

LOCAL TAX RATES

The maximum statewide tax rate and the maximum leeway tax rate under the preferred plan are estimated to be 54.7¢ per $100 of market value and 13.4¢ per $100 of market value, respectively. Employment of the local option to tax at 75% of the maximum statewide tax rate could lower the required tax to 41.0¢ per $100 of market value. The leeway tax is imposed

at the discretion of the local district in an amount, up to the maximum, that it deems desirable.

In "Preliminary Estimates of 1970 Market Value of Taxed Property of Texas School Districts" prepared by the Texas School Finance Study Groups, the 1970-71 statewide maintenance tax rate was estimated to be 49.7¢ per $100 of market value. This represents a statewide average. A comparison to tax rates in the Committee's preferred alternative seems to indicate the new tax effort required would be reasonable. It should be emphasized, however, that the 49.7¢ rate represents an average and the Committee's rate is a statewide maximum rate. Some localities would experience tax reductions while others would experience tax increases. Due to differences in assessing practices and varying tax rates, significant changes may occur in the effective tax rates of some districts.

TAX REVENUES LOST

The Committee's preferred alternative plan for revenue generation makes no provision for contributions to a state equalization fund by districts which generate total tax revenues in excess of their total support entitlement plus allowable leeway by applying the statewide maximum tax rate. Additional state funding would be required to provide for the revenues lost through this practice. Our estimates indicate that there would be 315 such districts and that these districts included approximately 115,000 ADM in 1970-71. The projected annual revenue loss (cost to the State) from these districts is approximately $86 million.

Continuing the practice of making per capita distributions from the Available School Fund, regardless of a district's financial need, would provide approximately $14 million to the 315 districts involved. Obviously,

such a practice provides state monies to districts with property wealth sufficient to support their entire education program. Through this practice, the State would add $14 million to its share of total public school funding.

OTHER FINANCING ALTERNATIVES

In addition to the Committee's preferred alternatives, it considered two other revenue generation plans and three other distribution plans. The other revenue alternatives may be briefly described as follows:

- A plan similar to the preferred plan except that per capita distributions of the Available School Fund would not be made to those districts generating tax revenues in excess of authorized funding levels. This alternative also provides for contributions to a state equalization fund by those districts with excess property wealth. (This is revenue plan 2 in the projections.)

- A plan under which all school funding would be provided by the State. A statewide property tax would be substituted for revenues previously generated by local property taxes. (This is revenue plan 3 in the projections.)

Distribution plans which were considered in addition to the preferred plan include:

- An improved Foundation School Program with a structured personnel component. (This is distribution plan 1 in the projections.)

- Unrestricted financial support grants based upon weighted enrollments. (This is distribution plan 3 in the projections.)

- Unrestricted financial support grants based upon district size. (This is distribution plan 4 in the projections.)

Details of these other alternatives are presented in the body of our report. Each of the revenue alternatives has been combined with each of

the distribution alternatives and the results upon all Texas school districts projected for each of the twelve combinations. As indicated earlier, these projections are on file in your office and in the Texas Education Agency.

USE OF THIS REPORT

This report should be considered as a preliminary planning study only. Much additional study is being given to the matter of Texas public school finance. Other major study efforts include those of:

- State Board of Education Committee and the Texas Education Agency;
- Texas Research League; and
- Texas State Teachers' Association.

The results of all these efforts should be considered along with the work of the Committee prior to the adoption of a new finance plan.

All of the statistical and financial data included in this report are based upon the 1970-71 school year unless otherwise indicated. These were the latest complete data available and, to the best of our knowledge, have been used by all groups studying school finance. The information which we have used in making projections and the underlying assumptions have been derived from published information and other sources that we consider appropriate in the circumstances. However, we cannot assume responsibility for the accuracy of such source material. Moreover, since forecasts and estimates are subject to many uncertainties as to the future, we cannot represent that the forecasts and estimates developed in this study will be representative of the results that will actually occur.

* * * * *

We acknowledge and express our appreciation for the cooperation and assistance received from various individuals and organizations during this study. The assistance of the Texas Education Agency staff, the Texas Research League staff, the Senate staff, and Ms. Sue Lowe of your staff is specifically acknowledged. Our participation in the Committee's work has been a most stimulating and interesting experience.

Very truly yours,

Peat, Marwick, Mitchell & Co.

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# I - THE COMMITTEE AND OUR ROLE

This report has been prepared to document the study program and deliberations of the Joint Senate Interim Committee to Study Public School Finance. Before reporting on the Committee's efforts, it seems appropriate to indicate certain of the matters relating to its establishment and how its deliberations were conducted.

## COMMITTEE PURPOSE

The Joint Senate Interim Committee to Study Public School Finance was established subsequent to and in response to the Rodriguez decision. Its actual establishment was accomplished by combining three Senate interim committees which then Lieutenant Governor Barnes had appointed, prior to the Rodriguez decision, to study certain problems in Texas public education. Namely, these committees were:

- The Senate Interim Committee to Study Urban Education chaired by Senator Mauzy.
- The Senate Interim Committee on Occupational Education chaired by Senator Brooks.
- The Senate Interim Committee to Study Tax Revenue to Fund Rising Costs of Education chaired by Senator Moore.

Lieutenant Governor Barnes noted when the Committee was appointed that it "should explore both the strengths and weaknesses of the present school finance system and suggest possible alternatives." While the "San Antonio court decision has placed Texas in a difficult position as far as public education is concerned, we must be calm and deliberate and not become emotional to the point that something wrong is the outcome. Public education must be taken out of the political arena and we should be concerned not only with urban education but all education in Texas."

Finally, the Lieutenant Governor expressed his desire for the Committee to work closely and coordinate its activities with the Advisory Commission on Intergovernmental Relations, the Texas Education Agency, any House committee that might be appointed, and other groups studying public school finance. Through such coordination, he felt that needless duplication of work could be avoided.

COMMITTEE MEMBERSHIP

Members of the Committee included:

- Oscar H. Mauzy, State Senator from Dallas (Chairman)
- A. M. Aikin, Jr., State Senator from Paris
- Chet Brooks, State Senator from Pasadena
- O. H. "Ike" Harris, State Senator from Dallas
- Charles R. Herring, State Senator from Austin
- Don Kennard, State Senator from Fort Worth
- Mike McKool, State Senator from Dallas
- William T. Moore, State Senator from Bryan
- W. E. "Pete" Snelson, State Senator from Midland
- Jim Wallace, State Senator from Houston
- Murray Watson, State Senator from Waco
- Julius R. Truelson, Superintendent - Fort Worth Independent School District
- Dr. Emmett J. Conrad, Board Member - Dallas Independent School District
- Will D. Davis, Board President - Austin Independent School District
- Richard Teniente, Board President - San Antonio Independent School District
- J. W. Edgar, Commissioner of Education

PMM&CO. ROLE

Because the Committee had no permanent staff, it engaged the consulting firm of Peat, Marwick, Mitchell & Co. (PMM&Co.) to provide staff assistance in the development of financing alternatives. Such staff assistance was to be provided through completion of the following actions:

- Performing basic fact finding;
- Maintaining liaison with other study groups;
- Developing reasonable alternatives;
- Analyzing alternatives;
- Assisting the Committee in deliberations; and
- Documenting Committee conclusions.

Specific provisions of the assistance which PMM&Co. was to render to the Committee were such that they called for the completion of a study program which included the following steps:

1. Develop an operationally useful statement of the implications of the Rodriguez-San Antonio Independent School District decision and other generally related decisions.
2. Define the existing Texas school finance system.
3. Document recommendations for and primary characteristics of alternative education finance models for Texas which are the result of recent investigations into this issue.
4. Evaluate recent national research on education finance policies and alternatives.
5. Review finance models adopted or considered in other states.
6. Develop a tentative list of alternative resource allocation models with characteristics of each and a tentative list of combinations of revenue sources.
7. Conduct interviews to determine acceptability of various alternative resource allocation models and various revenue source combinations.

8. Define final alternative financial resource allocation models.

9. Develop computer simulation modeling capability to portray the effects of each of the plans on all the school districts in the State.

10. Test and compare the final alternative financial resource allocation models.

11. Evaluate the effect of each final alternative financial resource allocation model.

12. Develop an estimate of the rough order of magnitude of state and local resources required to implement the alternative models.

13. Accumulate information as to the general amount of revenue which could be generated through the imposition of various types of additional state taxes.

14. Present to the Senate Committee results of the analysis related to the use of the final alternative resource allocation models and the analysis relating to additional revenue sources.

The work program set forth above has been completed. At its final meeting, the Committee considered twelve revenue generation and fund distribution plans. It expressed a preference for one of the generation/distribution plans and authorized the publication of the results of its study program. This report and the projections of results for each of the twelve plans, which are on file in Senator Mauzy's office and in the Texas Education Agency, represent the publication of the Committee's study program.

PMM&CO. STAFF

Members of the PMM&Co. staff who participated in this study were:

- Mr. George T. Whisman, Houston, Director of the study
- Mr. Terrell Blodgett, Austin
- Mr. John D. Gay, Houston

. Mr. James R. Mitchell, Houston

. Mr. Karl B. Putnam, Austin

. Mr. C. W. Caron, Los Angeles

. Mr. J. A. Perkins, Jr., Washington

. Mr. R. E. Olsen, Washington

. Dr. D. L. Struve, New York

. Mr. V. R. Lo Cascio, New York

## II - CURRENT TEXAS SCHOOL FINANCE PLAN

Analysis of characteristics included in the current plan under which Texas school districts receive financial support was an integral part of the Committee's study program.

Our purpose here is not to present a complete and detailed examination of the current finance plan but only to provide a general description of the plan and some of the major problems which have been encountered in its use. Such a description at this point seems to be necessary for an understanding of alternatives considered and conclusions reached by the Committee. However, for those who are interested in examining the current finance system closely, a significantly more detailed look at the current plan is provided in Texas Public School Finance: A Majority of Exceptions published by the Texas Research League in November, 1972. The Report of the Governor's Committee on Public School Education, The Challenge and the Chance, published in 1969, is also a good reference for those who seek to understand the current Foundation School Program.

### GENERAL DESCRIPTION OF THE CURRENT PLAN

The Foundation School Program (FSP) has evolved from the State Constitution, laws passed by the Legislature, opinions from the State Attorney General, and administrative guidelines set forth by the State Board of Education and/or the Commissioner of Education. Patchwork modification of the FSP has produced a financing scheme where exception is the rule. A unique combination of provisions seems to apply to almost every district. School finance may therefore be likened to Federal income taxation. Participants in the program continually strive to maximize their benefit from favorable provisions, while at the same time they try to escape from or

alleviate penalties incurred from unfavorable provisions. The situation promotes special interest legislation and loop-hole exploitation while it discourages major revision to the entire FSP.

Perhaps the key deterrent in seeking major school finance reform is the fact that it is completely understood by only a few people. It is difficult to attract legislators and taxpayers to a study of the FSP details. Consequently, they do not understand the multiple characteristics of the total plan which make it undesirable. When change occurs, it is generally directed at specific provisions that irritate a certain locality or interest. As a means of providing some general background on the FSP and pointing out some of the major inequities, we have organized a discussion in two main parts--where the dollars come from (revenue generation) and where the dollars go (fund distribution).

## CURRENT REVENUE GENERATION

Theoretically, public school financing under the Foundation Program is provided by a combination of state taxes and local district property taxes providing 80% and 20% of the funding, respectively. The intent of the FSP is to guarantee minimum support to all children who attend public schools. Local districts, after providing their share of the minimum, are free to increase school support levels. Through the imposition of voter approved local taxes, the actual support ratios have changed from the theoretical 80/20 ratio to an actual division of 54% from state funds and 46% from local funds in 1970-71. For purposes of this discussion, however, we shall focus our attention on the intentions of the existing Foundation Program.

### Local Fund Assignment

The actual amount of Foundation Program expenditures to be supported from local district taxes is determined by the calculation of a Local Fund

Assignment. The steps involved in the calculation of a district's Local Fund Assignment are as follows:

1. Determine State Local Fund Assignment. An estimate of the succeeding year's total FSP is prepared and multiplied by 20%. Credits allowed or anticipated for the current year are added to this amount. This total is the State Local Fund Assignment.

2. Compute County Economic Indices. An economic measure is computed for each county according to the following formula:

| | |
|---|---|
| Total assessed value of all property in county | X 20 |
| +Scholastic population of the county | X 8 |
| +Income for the county | X 72 |
| =County economic measure | |

"Income for the county" is defined as the sum of the following items:

- value added by manufacture
- value of minerals produced
- value of agricultural products
- payrolls for retail establishments
- payrolls for wholesale establishments
- payrolls for service establishments

An Economic Index is computed for each county using the formula below:

$$\frac{\text{County economic measure}}{\text{Total of all county economic measures}} = \text{County Economic Index}$$

3. Allocate State Local Fund Assignment to Counties. The product of the State Local Fund Assignment and the County Economic Index yields the County Local Fund Assignment.

4. Allocate County Local Fund Assignment to school districts. The following formula is used to apportion the County Local Fund Assignment to school districts.

$$\text{County Local Fund Assignment} \times \frac{\text{Assessed Value of Property in District}}{\text{Assessed Value of Property in County}} = \text{Local Fund Assignment}$$

Obviously, the calculation of a Local Fund Assignment and the resulting determination of the amount of the district's Foundation Program which is to be supported from local property taxes is an attempt to equalize tax effort between districts. However, the basic problem which we see in this approach is the fact that, of all the factors used in the calculation of the Local Fund Assignment, only the assessed value of property relates to the tax base which is employed for generating revenues to be used for school purposes. Because of the widely varying assessment practices of the 1,149 Texas school districts, the current calculation of a Local Fund Assignment seems to be an undesirable mechanism for providing equity in effort among districts.

Available School Fund

Education funds contributed to local districts by the State are provided from general revenue sources and the Available School Fund. Interest and investment income from the Permanent School Fund and specifically dedicated taxes comprise the Available School Fund which is used to buy textbooks for the State's schools and to provide a per capita distribution (currently based on average daily attendance) to each school district. This distribution accrues to a district regardless of its wealth or ability to support its programs. General revenue requirements, referred to as the Foundation Program Fund, are computed by summing the entitlement of each school district in the State. District entitlements are computed as follows:

District FSP Computed Allowance
-Local Fund Assignment
-Available School Fund Distribution
=District Foundation Program Distribution

Budget-Balance Districts

If a district's Foundation Program distribution is $0 or less, the district is called a budget-balance district. These districts, particularly

ones where the Local Fund Assignment equals or approaches the District FSP Computed Allowance, receive proportionately more state funding than other districts. The guaranteed distribution of Available School Fund proceeds serves to create inequities in revenues received and appears to discriminate in favor of wealthy districts.

Guaranteed Financing

To ensure adequate funding for the FSP, Texas has created the Foundation School Program Budget Committee, composed of the Commissioner of Education, the State Comptroller of Public Accounts, and the State Auditor. During an annual meeting, this group estimates the FSP requirements for the ensuing year and automatically allocates and appropriates funds from the State Clearance Fund. In other meetings throughout the year, the Committee adjusts its estimates based on more relevant data. Through this procedure, state education financing is guaranteed a priority treatment and precedes most other state programs in the funding process.

Local Funds

In addition to funds provided by the State, school districts are empowered to levy and collect ad valorem taxes on the property within their district. Revenues from such taxes are used to meet the district's Local Fund Assignment and to provide supplements over and above the Foundation School Program allowances. These supplements are referred to as local enrichment or leeway. Local revenues are also used for capital outlays and for the payment of bonded indebtedness.

Federal Funds

The Federal government contributed about 10% of the revenues for public education in Texas during 1970-71. Aid for the educationally or

socially disadvantaged, funds for driver training programs, money for school lunches, and assistance for vocational/technical programs typify Federal support. In the Rodriguez case, the court rejected the idea that Federal funds needed to be included in judging the equity of the State's financing plan. Citing the fact that most Federal programs are categorical in nature, the court ruled against a defense contention that they assisted poorer districts at the expense of more affluent districts. Because of the court's view on Federal funds, we have excluded them from consideration in the development of financing alternatives.

DISTRIBUTION PLAN

Specific amounts of funds to be delivered to local school districts under the Foundation School Program are determined by entitlement formulas. The plan provides separate funding components for personnel, maintenance and operation, and transportation.

The personnel component provides specific allowances based upon the number of pupils in average daily attendance (ADA) for each of several job categories. Categories included are:

- Classroom teachers
- Teachers of exceptional children
- Vocational education teachers
- Special service teachers (nurses, librarians)
- Supervisors and/or counselors
- Principals
- Part-time principals
- Superintendent
- Teacher aides

A state minimum pay scale, that takes into consideration both years of experience and educational degree attainment, is applied to the personnel who fill the allowed positions to calculate the FSP personnel component funding entitlement. Districts are not reimbursed for vacant positions or for excess personnel. Reimbursement is restricted to category. For example, if a district has one more classroom teacher and one less vocational teacher than it is entitled to have, it would be reimbursed for its maximum allowable classroom teachers and its number of employed vocational teachers. Flexibility is not an attribute of the current plan.

Allowances for operations and maintenance are effectively related to ADA also.

Transportation allowances are provided for children who live two or more miles away from school. The actual allowance is computed by applying a formula to the size of vehicle necessary to carry the children living on an approved route and the distance traveled on that route.

Although the formulas provided in the FSP appear to favor smaller school districts, there is nothing in the program which is basically objectionable in terms of providing a rational distribution system. However, our analysis indicates that the formulas utilized, particularly those used for the personnel component, are restrictive in terms of allowing local districts to establish their own staffing patterns. From the information available to us, it appears that the basic reason for the existence of these restrictive formulas is to provide a degree of job protection to members of the teaching profession in Texas.

The distribution plan also provides support for a number of special programs which may be operated either by local districts, by regional

service centers, or on a statewide basis. The financial support provisions for these programs range from being very specific (teachers' sick leave for example) to being determined based upon the promulgations of the State Board of Education (special education is an example). The programs which fall into this category include the following:

- Special education,
- Vocational education,
- Educational television,
- Regional computer services and media centers,
- Teachers' sick leave,
- Student teaching,
- Supplemental salary aid, and
- Texas Education Agency Administration.

FACTORS CAUSING INEQUITIES

There are a number of factors in the current school finance plan which contribute to two basic types of inequities--inequities related to the amount of financial support provided to local districts and inequities related to taxpayer effort. A brief examination of these factors at this point seems desirable in order that the reader may gain an understanding as to the causes of problems with the current finance plan.

Economic Index

A local district's share of the Foundation School Program (the Local Fund Assignment) is effectively determined based on the computation of an economic index. This economic index purportedly is an effort to measure individual districts' ability to support their educational programs. The specific factors and procedures used in the computation of an economic index and the determination of a Local Fund Assignment have been presented

earlier in this section. A brief summary of certain of the criticisms which have been leveled against the economic index may be stated as follows:

1. It utilizes factors (average daily attendance and economic activities factors such as sales and income) which are not a measure of the tax base available to local school districts.

2. It is dependent upon assessments of property valuations within counties even though there is no state supervision of assessment practices and, in effect, a wide range of assessment practices is utilized throughout the State.

3. Decisions about valuation procedures by other governmental bodies can have a significant effect upon the amount of an individual school district's "Local Fund Assignment."

4. Variations of assessment practice within a county can produce an inequitable distribution of the County Local Fund Assignment.

Over the years, there has been a consensus among students of public school finance that the economic index does not reflect the taxpaying ability of local school districts. While there have been several proposed alternatives for other measures of taxpaying ability, none of these devices has been able to gain enough support to replace the economic index.

Our evaluation of the current economic index is that it provides a basic inequity in taxation. The school finance plan utilizes the ad valorem tax to provide local district funding, yet ignores the basis of the tax as the primary measure of ability to pay. Failure to reform ad valorem tax laws and the assessing practices carried out in the State have perpetuated inequity and caused certain taxpayers to tax themselves more heavily than others to receive a like amount of service from tax revenue.

Credits

In calculating a district's Local Fund Assignment, there are a number of credits which may be taken for the purpose of reducing the computed Local Fund Assignment and thereby increasing the amount of state aid. Such credits have the effect of reducing the local tax revenues that are necessary for public school support and, therefore, may represent an additional inequity in tax effort. Such credits are granted to districts containing:

- National forest,
- Armed service bases,
- Indian reservations,
- State prisons,
- University lands,
- Specific types of water reservoirs,
- Feed lots for cattle, and
- Children in orphan homes.

There is also a maximum tax rate limitation which provides:

> If the revenue that would be derived from the legal maximum local maintenance school tax is less than the amount assigned to a school district according to its economic index, and if the district's property valuation is not less than the same property valuation for state and county purposes, the lesser amount shall be assigned to be raised by such school district.

A substantial number of districts utilize this limitation to reduce their Local Fund Assignments and to increase their state aid. One of the unfortunate characteristics of the whole scheme of "credits" is that the accumulated credits are added to the state's combined FSP costs for allocation to local districts. This provision has the effect of penalizing the districts which do not utilize these special credits.

Local Enrichment

Perhaps the greatest matter of inequity in the current Foundation School Program is that relating to unlimited local enrichment of the Foundation School Program. By local enrichment, we mean the option which districts have to provide local funds in addition to their Local Fund Assignment for the purpose of supplementing the minimum educational program provided by the Foundation School Program. Such funds may be provided under different sets of circumstances. For example, a district with a large property tax base can, while taxing itself at comparatively low rates, generate sufficient revenues to provide its Local Fund Assignment and a substantial amount of enrichment funds. On the other hand, districts with limited resources may tax themselves at rather high rates and be able to meet their LFA and provide minimal, if any, enrichment.

These additional funds may be used without limitation as to purpose for providing an enhanced educational program within the district. According to a recent report issued by the Texas Research League, local enrichment revenues, excluding debt service, ranged from less than $100 per student in some districts to more than $7,000 per student in other districts during 1970-71. When we consider that the average school foundation program cost was $427 per student in 1970-71, local enrichment in the amounts indicated could certainly be considered to have a significant effect upon the quality of educational program offered by individual districts. Accordingly, we must conclude that the unlimited local enrichment prerogatives create inequities in financial support.

Personnel Component

The personnel component of the Foundation School Program is also capable of generating inequities. This component is tied to the statutory

Texas State Public Education Compensation Plan which provides increased dollar support for advanced degrees and additional years of teaching experience. Districts which are able to provide substantial amounts of local enrichment are in a position to pay higher salaries to personnel than are other districts. If a district is able to attract those teachers with advanced degrees and relatively large amounts of teaching experience by paying higher salaries, then it will be able to garner more of the FSP entitlement. Accordingly, we find a situation in which those districts providing substantial amounts of local enrichment also receive additional state funds because they employ teachers with advanced degrees and substantial amounts of experience. In this situation, the rich benefit and the poor receive what is left both in terms of teacher quality and state financial support.

There is another feature of the personnel component which appears to be inequitable. Under the program, all personnel units to which a district is entitled must be filled before the allowance is received. Several factors such as comparatively low salary schedules, the use of larger pupil/teacher ratios, and the lack of attractive facilities contribute to underutilization of allowed personnel units within certain districts. When positions are not filled, the entitlement to FSP support is withheld. Since this situation more frequently exists in districts with comparatively low per pupil property wealth, the current plan seems to perpetuate a situation where the poor get poorer.

These two situations again provide examples of inequities inherent in the current Foundation School Program.

## FOUNDATION SCHOOL PROGRAM ADEQUACY

The Senate Committee study program did not involve a detailed examination as to the adequacy of funds provided to local districts under the Foundation School Program. This matter was considered in detail by the Governor's Committee on Public School Education and the results of their study are included in that Study Report. Reference is made to that report for those readers who are interested in a discussion of the adequacy of support provided under the Foundation School Program.

## REFORM ATTEMPTS

There have been three recent major proposals for correcting some of the inequities inherent in the FSP. General characteristics of these three proposals are discussed in the ensuing paragraphs.

### Governor's Committee

The work of the Governor's Committee resulted in wide ranging recommendations for improvement in Texas public school education. That portion of the Governor's Committee recommendations which relate more specifically to the matters considered in this report may be summarized as follows:

1. A substantial expansion of the financial support provided under the Minimum Foundation Program was proposed including a substantial increase in professional salaries;

2. A reorganization of local school districts with minimum sizes was proposed;

3. Recommendations were made for expanding the coverage of the Foundation Program and for increasing the local district support share; and

4. A Local Fund Assignment for each district based upon a uniform tax rate applied to the district's property market value was suggested.

In essence, only the recommendations relating to professional salaries were adopted in any form by the Legislature.

Committee of Eighteen

Work of the Committee of Eighteen resulted in a proposal which was a compromise between advocates of a 100% market value formula and supporters of the present economic index. One of the proposals of the Committee of Eighteen involved the abolition of all credits (as discussed above) meaning that those districts which qualified for credits lost the benefit of certain state funds. Recommendations of the Committee of Eighteen were considered by the 62nd Legislature without reform legislation being enacted.

Connally Bill

The Connally Bill was, in essence, a proposal under which the State would pay the total cost of the Foundation School Program. Under this proposal, the State would have absorbed the cost of the Local Fund Assignment and no revenue requirements would be imposed upon local school districts. However, revenues raised locally could be applied to enrichment of the foundation program. As in the case of the Committee of Eighteen, this proposal was not favorably considered by the Legislature.

## III - FINANCE PLANS AND PROPOSALS OF OTHER STATES

The matter of improving school finance plans is certainly not limited to the State of Texas. Indeed, this is a subject which has been and continues to be a matter of great concern for practically every other state. So much concern has lead to a great deal of study both at the individual state level and at the national level. Recent proposals considered in other states were considered to be an appropriate item for review by the Senate Committee staff. A brief summary of this review is presented in this section of the report.

Before discussing proposals of other states, we should look at some of the common problems which have served to focus the attention on school finance in the various states. The primary concern seems to be that of recent cost increases in the operations of the nation's schools. One estimate of the nation's cost for public schools indicates that in 1972 this country's school expenditures were 2.6 times the amount of 1963 expenditures. This rapid increase in costs has obviously been followed by a corresponding increase in taxes for support of the schools. A second common problem which may be seen among various states is that of property tax inequities. The California situation may be used to illustrate such inequity. The Baldwin Park district of Los Angeles taxes its property at more than twice the rate of nearby Beverly Hills, yet it spends less than half as much money per pupil for school purposes. A third common factor which has provided the impetus for so much of the recent attention to school finance is the volume of intra-state school finance court cases that has been generated. As of August 1972, there were 52 court cases which had been filed in 31 states.

In all of these cases, there was a large degree of commanality in case factors such as the nature of the plaintiffs and the constitutional grounds for plaintiff's action.

A review of recent plans adopted or proposals advanced in other states should serve to provide the reader of this report with some background as to the range of approaches which are being advanced to solve the school finance dilemma.

NEW YORK-FLEISCHMANN COMMISSION REPORT

An intensive study of many problems facing the public schools was made by the Fleischmann Commission in New York state. While the Commission's report included wide-ranging recommendations, there were also significant recommendations related to a plan for financing the state's public schools. Finance recommendations published by the Commission in early 1972 included:

1. Full state funding for all public schools.

2. The use of a statewide property tax earmarked for education with a reduced rate on residences and tax credits for low income households.

3. A distribution plan that would set the level of state funding at the 65th percentile of the state's school districts ranked according to their expenditures. The leveling up would be spread over a three year period, and a save harmless provision would protect districts spending above the 65th percentile.

4. An equal weighting for full time students enrolled in all school grade levels, except that a 1.5 weighting for pupils scoring poorly on reading and mathematics tests would be utilized.

MINNESOTA PLAN

The State of Minnesota enacted new taxation and school financing legislation in 1971 subsequent to the Van Dusartz decision. Specific characteristics of this legislation include:

1. Higher tax rates on sales and corporate incomes.

2. Certain property tax relief including a reduction in the tax on residences by an average of 11.5%.

3. District authority to levy 30 mill tax for maintenance, 8 mill tax for capital and debt service, and enrichment taxes at a level approved by district referendum.

4. An increase in the state's share of school funds provided from about 43% to 65% in the first year and then to 70% or more in the second year.

5. A distribution plan which, among other things, provides $750 per weighted average daily member. Weights are as follows:

| | |
|---|---|
| . Kindergarten member | .5 |
| . Secondary school member | 1.4 |
| . Vocational technical member | 1.5 |
| . Education overburden members, pupils of families receiving "aid to families with dependent children" (AFDC payments) | 1.5 |
| . All other members | 1.0 |

6. A statewide equalized property valuation system used for assuring tax equity that on an average triples values assigned by county assessors.

MICHIGAN PROPOSAL

In April 1969, the Governor of Michigan established a Commission on Educational Reform to review proposals resulting from a legislative investigation into the financing of elementary and secondary education. After completing its review, the Commission submitted a number of recommendations for legislative action. The recommendations which are pertinent to this report were:

1. A uniform statewide property tax should be levied for school operating purposes.

2. If local option property taxes are permitted for funding enrichment programs, the state should--

   . guarantee an equal per mill yield for all districts;

   . impose a maximum upon the number of mills that can be levied; and

   . exclude salary increases for teachers from the purposes for which enrichment money may be spent.

3. Property assessment practices should be improved before statewide school property taxation becomes effective.

4. Local districts should have maximum freedom in hiring personnel and determining local curricula.

5. A testing program should be developed to evaluate pupil progress. This evaluation should be the basis for allocating additional funds for pupils with learning problems.

## THE FOUNDATION PLAN IN UTAH

Utah's school finance plan is frequently referred to as one of the better plans in terms of equalizing taxation efforts and basic pupil support. The plan includes a foundation support level which is high enough that few districts voluntarily exceed the equalized support level to any significant extent. The formula for determining funding is built around a "distribution unit" which is an adjusted average daily attendance calculation taking into consideration certain cost variations. The plan has three basic components. These components are the Basic Plan, the Board Leeway Program, and the Referendum Program.

The Basic Plan

Under the Basic Plan:

1. Each district is required to levy sixteen mills as the local share of public school finance.

2. The State equalizes support up to a level of $9,120 per distribution unit. (1 distribution unit allowed per 27 students in attendance)

3. Any district raising more than its support level through the sixteen mill levy must refund the excess to the state for redistribution to other districts.

The Board Leeway Program

The second portion of the Utah school finance plan is referred to as the Board Leeway Program. Its provisions include the following:

1. District school boards can impose an additional levy of up to 12 mills.

2. For each mill authorized, the state will guarantee $212 per distribution unit.

3. Any excess above $212 which is generated by the extra twelve mills can be retained by the local district.

The Referendum Program

This third part of the Utah plan includes the following provisions:

1. Through a referendum election, the district can approve up to an additional ten mills of taxation.

2. The state guarantees an additional $110 per distribution unit for each mill taxed over 28 mills up to 38 mills.

3. Tax revenue generated in excess of the guaranteed amount may be retained by and utilized by the district.

Additionally, a board of education may levy a tax at a rate up to 12 mills for debt service or capital outlay.

NEW JERSEY

A new school finance law was enacted in the State of New Jersey in 1970. This new finance law followed the major recommendations of a State Study Commission. One of the major features of the new state law was that it provided for a classification of districts based upon the scope and quality of their programs. Higher levels of state aid were offered as an incentive to program improvement through higher expenditures. Because the act was only partially funded, its equalization potential was sharply limited. Here again, the state's school financing system was held to be unconstitutional in a decision rendered in the Robinson vs. Cahill case in January 1972. At this time, a new finance plan has not been determined.

CALIFORNIA

The first court decision related to the constitutionality of current school finance plans based in large part upon local school district taxes was rendered in the State of California. There the case of Serrano vs. Priest challenged the school finance arrangement as a violation of the provisions in the Fourteenth Amendment to the Federal Constitution guaranteeing equal protection under the law. The California Supreme Court ruled that the school finance system discriminates against the poor. That court's statement that, "education may not be a function of wealth, except the wealth of the State as a whole" has been the basis for most of the similar litigation filed in approximately 30 states.

Subsequent to this decision in California, there have been a significant number of proposals for revisions to the California School Finance Plan. The California proposals which we have reviewed cover a relatively wide range of approaches. To the best of our knowledge, none of the proposals has been adopted as of this writing. Accordingly, we shall not present the details of any of the California proposals here.

## A WARNING FROM OTHER STATES

Actions of voters and legislators in other states in attempting to deal with the problems of school finance may provide a valuable insight to Texas legislative leaders.

### Property Tax Changes

Voter reaction to proposed property tax changes, as illustrated by the November 1972 elections, and the inability of other legislatures to produce equitable school finance systems may be an indication that only the courts can force major changes in the way school support is provided. The following experiences are presented to reflect how voters reacted to proposed property tax changes in the 1972 elections.

A package of proposals for making significant changes in California's tax structure was voted down nearly 2 to 1. The proposed amendments would have put tight ceilings on property taxes and would have called for significant changes in the way public schools are financed. Significant increases would have been made in such taxes as the corporate income tax, the combined state-local sales and use tax, the cigarette tax, and the liquor tax.

Michigan residents defeated 58% to 42% a proposal which would eliminate the local property tax as the main means for financing basic school programs. In Colorado, a proposal to prohibit the use of property taxes for schools was defeated by a majority of more than 70% of the voters. Colorado had proposed to replace the property tax with higher income and sales taxes.

A proposed withdrawal of property tax support of public schools in Oregon was beaten nearly 2 to 1. This proposal was not approved in a single county.

Legislative Indecision

Perhaps the action of the New Jersey Legislature is the most outstanding example of the reluctance of state legislators to enact tax reform measures. In July 1972, the New Jersey Legislature defeated a proposal for financing that state's public schools. The main idea of the proposal was to obtain local property tax relief by having the state assume most of the costs of operating local schools. Costs of local school operation would be supported by a statewide property tax of $1 per $100 of assessed valuation and by a progressive income tax. The state had intended to provide school districts with a uniform sum per pupil. Local districts would have had an option to spend more than the uniform support amount if local voters approved raising more funds through local levies. The state would have shared in the extra cost under a formula that tied the state's contribution to the district's tax base. Based on the actions of the New Jersey Legislature, many researchers and students of education finance reform have concluded that basic improvement in tax equity and school finance will result only from court action.

There have been other states where legislatures have failed to adopt proposed school finance improvements in recent months. A district power equalizing plan that would have eliminated local district wealth as a major determinant of school expenditures was introduced in the Kansas Legislature. However, this proposed legislation died in Committee. A New Hampshire proposal providing a state income tax for school support only and a distribution plan incorporating differential costs based on particular programmatic and target group needs was defeated in the Legislature. Legislation introduced in Maryland in 1972 which would have provided the following school finance features died in Committee:

1. Full state funding for all public schools.

2. Equalization of per pupil expenditures within a three year period up to the level of the highest spending district.

3. Increases in state property and income taxes.

Court Rejection

The New Jersey case, Robinson vs. Cahill, should provide a certain amount of guidance to those individuals preparing revised school finance plans. In this case, the court held that even though the current financing plan, if fully implemented, could provide substantially equal funding, it would be constitutionally unacceptable because poorer districts would have to tax at higher rates than richer districts to reap the same benefits.

The court's decision in the New Jersey case indicates that a revised school finance plan should provide both equity in taxation and equity in educational opportunity (level of dollar support). It also emphasizes the fact that courts stand ready to act where legislatures are reluctant.

# IV - NATIONAL SCHOOL FINANCE RESEARCH

Just as the studies conducted in a number of other states may provide helpful suggestions in resolving the Texas school finance dilemma, the results of certain national efforts may also be of help in this matter. A portion of the Committee's study program was devoted to a review of the more prominent national studies relating to the matter of school finance. Certain of the more salient considerations and conclusions of these national study groups are presented in this section of the report.

## NATIONAL EDUCATION FINANCE PROJECT

The National Education Finance Project was a large scale study program funded by the U. S. Office of Education and directed by a number of outstanding academicians in the area of school finance. Work on this project was begun in 1968 and completed in 1971. Some of the conclusions drawn from this project that are relevant to the matters under consideration in this report are summarized in the following statements:

1. Financial equalization is most nearly accomplished when the following two conditions are met:
   - Varying educational needs of student populations are taken into consideration before allocations are made.
   - Varying abilities of local school districts to support education are reduced or eliminated through the use of state resources.
2. The extent to which financial resources for education are equalized does not depend as much upon the plan used (i.e., flat grant, equalization, etc.) as on the content of the plan and the extent to which it is financed from state and local sources.
3. Funding the higher per pupil cost of educating the culturally disadvantaged should be accomplished through the adaptation of state allocation formulas. Achievement tests appear to be adequate identification criteria for defining target populations.

4. The higher the percentage of school revenue provided from local revenues, the greater is the possibility for unequal financial resources and unequal educational opportunity throughout the state.

## THE PRESIDENT'S COMMISSION ON SCHOOL FINANCE

The President's Commission on School Finance was established on March 3, 1970, to study and report to President Nixon on future revenue needs and resources of the nation's public and nonpublic elementary schools. The Commission's recommendations were submitted in a final report dated March 1972. These recommendations covered areas of interest such as:

- Preeminence of state government in education;
- Full state funding of elementary and secondary education;
- Strengthening state administration of education;
- Saving the inner city schools;
- Encouraging early childhood education;
- Making the education system accountable;
- Relating education to career needs;
- Creating school districts with balanced resources;
- Exploring innovations and new alternatives; and
- Asserting the national interest in education.

Specific recommendations of the Commission which are applicable to the Senate Committee's study program are summarized below.

1. The state should assume responsibility for financing substantially all of the non-Federal outlays for public elementary and secondary education; local supplements should be permitted up to a level not exceeding 10% of the state allocation.

2. State budgetary and allocation criteria should include differentials based upon educational need and on variations in educational costs within various parts of the state.

3. States should provide guidance rather than mandatory controls to schools and school districts; localities should be given wide latitude to use resources provided by the state in ways best meeting the individual school's and school district's needs and demands.

4. In developing finance plans, it should be recognized that no feasible plan can eliminate all disparities in educational opportunity.

5. Plans should utilize measures such as a "Costs of Education Index" and "Educational Need Index" in making adjustments for statewide variations in needs and costs.

6. Under a new plan, no school district should receive less resources than are now being utilized by that district.

7. Progress for full state funding may include steps such as:

   . Adoption of a statewide property tax levy for education at a level significantly below present local property tax rates for schools;

   . Greatly increased reliance upon state sales, personal and corporate income, and other taxes for the support of schools; and

   . A phased shift to full state funding.

THE NATIONAL LEGISLATIVE CONFERENCE

A special Committee of the National Legislative Conference was charged to examine the school finance requirements being developed by the courts, to explore the optional school finance plans available to state legislatures, and to recommend policy positions at the annual meeting of the National Legislative Conference.

Among the basic issues on which the special committee reached agreement were the following:

1. That states could assume responsibility for seeing that elementary and secondary schools are funded properly and that the "equal opportunity" responsibility enunciated in Serrano be accepted regardless of the eventual outcome in the courts, because the Serrano principle is correct.

2. That states put their taxing systems in order by reforming the administration of their real property tax systems.

3. That states (a) review the governance of education and the relationships between the State Education Department and local districts and (b) create effective systems for both accountability and measurement of educational need and effective methods for administering state and Federal funds.

4. That the Federal government adopt a program of school support which will enable the states to do what they must and which will create a reliable, permanent, and predictable Federal role in school financing.

The special committee also concluded that whatever general guidelines are agreed upon by individual states with regard to financing, a plan to be fair and equitable to both the taxpayer and the public school student must by definition include:

- Equalization of property taxes; and
- Control of local expenditures.

# V - SURVEY RESULTS

In an effort to determine the thoughts of many individuals and organizations, the Senate Committee study staff developed a questionnaire which touches on the central issues of school finance in Texas. This questionnaire, presented as Exhibit A to this report, was mailed in August 1972 to 948 individual representatives of the following groups:

- Legislative members and candidates,
- State Board of Education members and candidates,
- School superintendents,
- School board presidents,
- Members of the Texas State Teachers Association,
- Members of the Texas Classroom Teachers Association,
- Members of the Texas Association of School Administrators,
- Members of the Texas Association of School Boards,
- Members of the Texas Association of Secondary School Principals,
- Members of the Small Schools Association,
- Members of the Texas Congress of PTA's, and
- Advisors to the Senate Committee.

Details of the questionnaire responses received are presented in Exhibit B.

A summary of our interpretation of the questionnaire responses is presented in the following statements.

1. An 80/20 state/local partnership in funding is favored by more respondents than any other alternative. Significant sentiment was also expressed for ratios of 100/0 and 90/10.

2. Retention of the Foundation Program approach to allocating funds seems to be favored by a majority of the respondents; however, there are almost an equal number who desire that state funds be unrestricted as to program purpose.

3. More respondents favor average daily membership (ADM) as the basis for determining funding entitlement than any other alternative.

4. There is substantial demand for at least a 10% optional local leeway to be provided from property taxes. A strong desire for equalizing local leeway tax yield between districts was expressed.

5. 74% of all respondents believe that school districts with comparatively small enrollments should be encouraged to consolidate with legislative action being expressed as the most desirable alternative to achieving consolidation. Legislative members and candidates do not favor this approach to achieving consolidation.

6. No consensus can be reached on which students should be provided transportation.

7. A majority of the respondents favor a combination of state and local funds to provide for capital requirements. These funds would be supplemental to the basic financial plan.

8. Preferred method of financing specific cost categories:

| Category | Preferred Method |
|---|---|
| Administrative personnel | Basic support formula |
| Teaching personnel | Basic support formula |
| Clerical, custodial, maintenance, and other personnel | Basic support formula |
| Deaf, hard of hearing | Special grants based on need |
| Blind | Special grants based on need |
| Mentally retarded | Special grants based on need |
| Physically handicapped | Special grants based on need |
| Emotionally disturbed | Special grants based on need |
| Hyperkinetic | Special grants based on need |
| Multihandicapped | Special grants based on need |
| Speech handicapped | Special grants based on need |
| Pregnant students | Special grants based on need |
| Slow learners | Basic support formula |
| Gifted students | Basic support formula |
| Disadvantaged (economically) | Special grants based on need |
| Non-English speaking | Special grants based on need |

| Category | Preferred Method |
|---|---|
| Prekindergarten | Not supported by state funds or special grants based on need |
| Adult education | Special grants based on need |
| Adult handicapped | Special grants based on need |
| Vocational education | Basic support formula |
| Driver training | Basic support formula |
| Educational TV | Special grants based on need or basic support formula |
| Research | Special grants based on need |
| Summer school enrichment | Basic support formula |
| Summer school remedial | Basic support formula |
| Transportation - regular | Basic support formula |
| Transportation - special education | Special grants based on need |
| Facility maintenance and operations | Basic support formula |
| Capital construction costs | Basic support formula |
| Extracurricular activities | Not supported by state funds |

9. Importance attached to specific finance plan factors:

   a. Those considered to be essential -

      . Ease of administering plan;

      . Recognition of differences in program operating costs;

      . Problems faced by districts with rapidly increasing enrollments;

      . Statutory minimum compensation schedule for professional employees;

      . Use of staffing formulas to calculate funding entitlement;

      . Use of inflation factors to automatically adjust formula allowances;

      . Sparse area school problems; and

      . Consolidation of school districts with low enrollments.

   b. Those considered to be desirable -

      . Allowance for regional cost differences;

      . Phased implementation of a new plan;

- Allowances for municipal districts;
- Problems faced by districts with declining enrollments;
- Statutory maximum compensation schedules for professional employees;
- Inner city school problems;
- High proportion of students from non-English speaking families; and
- High proportion of students from low income families.

10. A majority of respondents favor state supervision of property appraisal and local property tax collections.

11. If additional state revenues are needed, the preferred sources are a sales tax increase, corporate income taxes, and increased liquor and beer taxes.

12. The following factors should be used in determining teacher salaries:

    - Years of experience,
    - Amount of college training,
    - Quality of individual work, and
    - Minimum compensation schedule.

13. A majority of the respondents favor reducing the general pupil/teacher ratio of 25/1.

14. There is strong sentiment for providing automatic annual adjustment in teacher salaries to reflect increases in the cost of living.

# VI - ALTERNATIVE REVENUE PLANS

Three alternative plans for generating revenues to fund public schools were evaluated by the Committee. Primary considerations which were taken into account in formulating these revenue alternatives included the following:

1. The tax burden should be equalized between local school districts -- equal tax rates should generate equal revenues to the extent possible.

2. Existing tax bases have a better chance of acceptance among taxpayers generally than do new tax bases.

3. Any new revenue plan should be easily understood.

4. Local district taxpayers should have some opportunity to elect the level at which they choose to provide financial support to their public schools.

5. Any sharing of the financial burden between the State and local districts should recognize the capabilities of both partners to support educational expenditures.

Details of the three revenue alternatives are discussed in the remaining portions of this section.

## PREFERRED REVENUE ALTERNATIVE

At the conclusion of its deliberations, the Committee expressed a preference for one of the three revenue alternatives which it had under consideration. The revenue alternative which was most preferred by the Committee is discussed here and referred to as the "Preferred Revenue Alternative".

### General Provisions

The general provisions of this revenue alternative provide for a continuation of the state and local partnership in supporting public school

education. Further, the provisions are such that the current sources used for providing the State's share of revenues would be continued as would the arrangement for "guaranteed funding" of the State's share. Property taxes would continue to be used as the basis for providing the local district's share in this partnership arrangement. A major difference between this alternative and the current plan is that the State and local shares change from a theoretical 80/20 ratio to a 60/40 ratio. At a first glance, this seems like a major change from the existing arrangement. However, when we consider the fact that current provisions for local enrichment have resulted in an actual situation where 54% of the funds supporting Texas public education are provided from state sources and 46% are provided from local sources, we see that a 60/40 ratio is not totally inconsistent with current practice. A 60/40 sharing would actually increase the State's responsibility and decrease the required local effort overall.

Maximum Property
Tax Rate

A statewide maximum property tax rate would be established under this revenue alternative. This maximum property tax rate for support of the Basic Educational Program would change periodically and would would be calculated as follows:

$$\frac{\text{Total statewide local funding}}{\text{Market value of all taxable Texas property}} = \text{Statewide maximum tax rate}$$

State Funds
To Be Distributed

Utilizing the statewide maximum tax rate, calculated as indicated, the amount of state funds to be distributed to individual districts would be determined in accordance with the following formula:

District support entitlement
-District computed tax revenue (district's market value x statewide maximum tax rate)
-Available School Fund per capita distribution
=State support to district (Foundation School Funds)

From the above formula, it is obvious that distributions from the Available School Fund are to be considered as part of the State's contribution to local districts. However, the per capita distribution from this fund would be made to every district even though local tax revenues of an individual district might exceed the district's total support entitlement or in the event that the state support to district (see formula above) was less than zero.

Minimum Tax Rate

This approach allows individual school districts the option to levy an actual tax rate which is less than the statewide maximum tax rate if they wish to spend less than their support entitlement for public school purposes. In order to establish a minimum level of public support and a minimum level of effort, districts normally would not be allowed to levy an actual rate which is less than 75% of the statewide maximum tax rate. However, in certain districts where the application of a 75% tax would generate revenues greater than the district's support entitlement plus allowable enrichment, such districts would be limited to tax rates which would generate only the amount of support entitlement plus allowable enrichment (when combined with the Available School Fund distribution) or the amount of the previous year's per pupil support, whichever is greater. This provision is such that some districts would be allowed tax rates less than 75% of the state maximum tax rate.

Local Enrichment

The matter of providing additional enrichment to the support entitlement of individual districts might normally be considered more a matter of

distribution of funds than one of generation of funds. Nevertheless, we believe it desirable to present here an indication of the provisions for enriching support entitlement because it has a bearing upon the amount of funds to be generated by local school districts.

Two of the three revenue alternatives considered by the Senate Committee provide for local enrichment beyond regular support entitlement in an amount not to exceed 10% of the regular support entitlement. Under the Preferred Revenue Alternative, the funds to be provided for enriching normal support entitlement would come from an optional local district tax. A statewide maximum property tax rate for providing local enrichment or leeway would be calculated. In those cases where the application of a maximum statewide leeway tax did not generate sufficient revenues to fund the allowable enrichment, state contributions would be used to supplement this optional local tax. The situations where state contributions would be required would occur in those districts which have "per pupil property market values" below the statewide average. Those districts above the statewide average "per pupil property market value" would tax at a rate that would yield the allowed enrichment (never more than 10% of the support entitlement).

No local enrichment would be allowed for districts which generate more tax revenue than their total support entitlement plus allowable leeway by applying a tax rate of 75% (or less) of the statewide maximum property tax rate.

Other Considerations

Special problems are created by districts which generate total tax revenues in excess of their total support entitlement plus allowable leeway when applying a tax rate of 75% of the maximum. The Preferred Revenue

Alternative makes no provision for contributions to a state equalization fund by such districts. Instead, such districts would be required to limit per pupil revenues to support entitlement plus allowable leeway or to 1972-73 per pupil expenditure levels (whichever is greater) and to reduce tax rates so that the amounts generated do not exceed such a limit.

Computerized Projections

This Preferred Revenue Alternative is referred to as Revenue Plan No. 1 in the indexing of the results achieved by applying the Committee's revenue alternatives and distribution alternatives to each of the 1,149 school districts in Texas.

EQUALIZATION FUND
REVENUE ALTERNATIVE

An alternative revenue plan considered by the Senate Committee was one containing the same characteristics as the Preferred Revenue Alternative with the following exceptions:

1. The per capita distribution from the Available School Fund would not be made to those districts where the local tax revenues generated by applying the statewide maximum tax rate exceeded the district's total support entitlement plus allowable leeway.

2. Provisions would be made for contributions to a State Equalization Fund by districts which generated total tax revenues in excess of their total support entitlement plus allowable leeway by applying the statewide maximum tax rate.

This Equalization Fund Revenue Alternative is indexed as revenue alternative No. 2 in the projections of results achieved by applying combinations of the revenue and distribution alternatives to Texas school districts.

STATEWIDE PROPERTY
TAX ALTERNATIVE

The Senate Committee also considered a plan under which all public school financing would be provided by the State. This alternative contemplated that the current state revenue sources and funding provisions applicable to public school education would be continued. In addition, a statewide property tax would be assessed and used as a substitute for the revenues which had previously been generated by the assessment of a local district property tax. Under this alternative, property taxes would be assessed and collected by a state agency. No local enrichment of support entitlement amounts would be allowed. The amount of the statewide property tax rate would change periodically. It would be established in accordance with the following formula:

$$\frac{\text{Revenues previously generated by local property taxes}}{\text{Market value of all taxable Texas property}} = \text{Statewide property tax rate}$$

This revenue alternative is indexed as No. 3 in the projections of effect upon local school districts.

# VII - ALTERNATIVE DISTRIBUTION PLANS

In addition to a plan for generating revenues, a comprehensive public school finance plan must include a basis for distributing or allocating the available revenues to local school districts. Four alternative distribution plans were considered in the Senate Committee's final deliberations. The characteristics of each of these four alternatives for determining district entitlement are presented in this section of the report along with the considerations used by the study staff in formulating the alternatives.

## CONSIDERATIONS IN FORMULATING ALTERNATIVES

Several specific considerations were taken into account in the process of developing alternative distribution plans. These considerations are summarized in the following statements.

1. Equal educational opportunity (as determined by relatively equal financial support) should be provided to each child.

2. A large measure of control should be exercised by individual districts in determining spending priorities.

3. Local enrichment prerogatives should be limited in order to preclude wide variations in the level of financial support provided between districts.

4. In seeking to equalize financial support, it would be desirable to equalize upward to at least the level of spending enjoyed by the district spending at the 75th percentile of all Texas districts.

5. The primary basis for determining a district's entitlement to revenues should be the number of district students in average daily membership (ADM).

6. Distribution plans should be easy to understand and to administer.

7. The alternatives should include one or more plans not based on rigid staffing formulas.

The four alternatives which were developed and for which projections of financial support entitlement have been calculated generally incorporate the above considerations. They are described in subsequent paragraphs.

PRIMARY BASIS FOR DISTRIBUTION

The current Foundation School Program bases personnel, operational costs, and transportation allowances upon the number of students in average daily attendance (ADA). Distribution alternatives considered by the Senate Committee have been based upon the number of students in average daily membership (ADM) rather than on ADA. The basic reasoning for the use of ADM is that local districts are required to provide staff, facilities, and supplies based upon membership, not upon attendance. Most recent school finance plans proposed for other states have been based upon ADM, not upon ADA.

PREFERRED DISTRIBUTION PLAN

Just as it expressed a preference for one of the revenue alternatives, the Senate Committee also expressed a preference for a distribution alternative. The preferred distribution plan when taken as a whole with the preferred revenue alternative has been referred to as the "Improved Foundation School Program - Variable Personnel Component." This designation is based upon the fact that the preferred distribution plan would provide districts with a general level of staffing but would allow individual districts to determine their specific staffing composition.

The characteristics of the preferred distribution plan may be summarized as follows:

1. Financial support for a personnel component would be provided and would be calculated using the following formula:

   . Classroom teachers )
   Kindergarten teachers )
   Vocational teachers )
   Exceptional children teachers ) .0525 personnel
   Special service units ) units allowed
   Counselors ) for each weighted
   Part time principals ) average daily
   Assistant principals ) member (WADM)
   Principals )
   Superintendents )
   Administrative personnel )
   Teacher aides )

   . WADM to be computed by applying the following weights to the average daily membership (ADM) of each category.

| | |
|---|---|
| Regular education 1-6 | 1.00 |
| Regular education 7-9 | 1.20 |
| Regular education 10-12 | 1.40 |
| Full-time kindergarten | 1.30 |
| Full-time special education | |
| Physical handicap | 3.25 |
| Mental handicap | 1.90 |
| Speech handicap | 1.48 |
| Full-time vocational education | 1.80 |

   . Individual districts determine their desired mix of personnel up to their full entitlement of units (.0525 units per WADM).

   . Different levels of teachers, administrators, and employees are assigned personnel unit weights related to the Texas State Public Education Compensation Plan as follows:

| | |
|---|---|
| Teacher - Bachelors degree, certified | 1.00 |
| Teacher - Masters degree, certified* | 1.05 |
| Special service unit (Nurse, Librarian) - Bachelors degree | 1.00 |
| Special service unit (Nurse, Librarian) - Masters degree* | 1.05 |
| Teacher - No degree, certified** | 1.00 |
| Special service unit - No degree | .95 |
| Counselor | 1.20 |
| Supervisor | 1.20 |
| Principal | 1.30-1.50 |
| Assistant principal | 1.20-1.40 |
| Part-time principal | .20- .25 |
| Administrative | 1.20-2.00 |
| Superintendent | 1.50-2.50 |
| Aides | .50- .75 |
| Clerical personnel | .50- .75 |

*Position rated at 1.10 in the Texas State Public Education Compensation Plan, but included in personnel weighting at a reduced level to encourage use of personnel with masters degrees.

**Position rated at .95 in the Texas State Public Education Compensation Plan, but included in personnel weighting at an increased level to discourage use of teachers without degrees.

. Allowances to districts would be based on salary levels set forth in the Texas State Public Education Compensation Plan.

2. A transportation component would provide financial support for transporting students living two or more miles from the schools they attend. An allowance for each eligible pupil transported would be based upon each district's density factor -- eligible pupils transported (daily) divided by route miles traveled (daily). Suggested allowances for density factors are as follows:

| Density Factor | Annual Allowance Per Pupil |
|---|---|
| .200 and below | $ 120.00 |
| .201 to .250 | 116.00 |
| .251 to .299 | 111.00 |
| .300 to .349 | 106.00 |
| .350 to .399 | 99.00 |
| .400 to .449 | 93.00 |
| .450 to .499 | 86.00 |
| .500 to .599 | 81.00 |
| .600 to .699 | 76.00 |
| .700 to .799 | 72.50 |
| .800 to .999 | 65.00 |
| 1.000 to 1.199 | 56.00 |
| 1.200 to 1.399 | 52.50 |
| 1.400 to 1.599 | 46.00 |
| 1.600 to 1.799 | 43.00 |
| 1.800 to 1.999 | 41.00 |
| 2.000 to 2.499 | 39.00 |
| 2.500 to 2.999 | 35.00 |
| 3.000 to 3.999 | 31.00 |
| 4.000 to 5.999 | 28.00 |
| 6.000 and above | 24.00 |

3. A maintenance and operations component of $70 per weighted average daily member would be provided to meet costs of operating and maintaining school facilities, equipment, and property.

4. A program emphasis component of $100 per average daily member would be provided to meet the unique needs of each individual district. Funds provided under this component would be expended in accordance with priorities determined by local districts.

5. Other support factors would be provided as follows:

| | |
|---|---|
| . Pre-school age deaf | No change from current plan |
| . County-wide day school for deaf | No change from current plan |
| . Educational television | No change from current plan |
| . Regional computer services and media centers | No change from current plan |
| . Teacher sick leave | $25 per day |

| | |
|---|---|
| . Student teaching | No change from current plan |
| . Supplemental salary aid | No change from current plan |
| . Pre-school non-English speaking | No change from current plan |

6. Local enrichment not to exceed 10% of the total amount determined through the five foregoing support components could be provided if local district taxpayers enact an optional local tax. This leeway option is permissible under revenue plans 1 and 2 only, and not under the fully state supported revenue alternative.

Basic support entitlement and local enrichment allowances have been calculated under this distribution alternative for all Texas districts based upon 1970-71 data elements. The preferred distribution plan is indexed as No. 2 in the projections.

STRUCTURED PERSONNEL ALTERNATIVE

One of the distribution alternatives considered is based upon a formula approach generally similar to that used for determining district entitlement under the current Foundation School Program. Because this alternative provides specific personnel classification allowances, the study staff has referred to it as the "Improved Foundation School Program - Structured Personnel Component." Characteristics of this alternative are summarized in the following statements.

1. The personnel component would provide financial support for staff as follows:

| | |
|---|---|
| . Classroom teachers | 1 per 25 ADM |
| . Kindergarten teachers | 1 per 20 full-time ADM |
| . Vocational teachers | 1 per 14 full-time ADM |
| . Exceptional children teachers | 1 per 11 full-time ADM |

| | |
|---|---|
| . Special service units<br>Supervisors<br>Counselors<br>Part time principals<br>Assistant principals<br>Principals<br>Superintendents<br>Administrative personnel | 1 per 100 ADM |
| . Teacher aides | 1 per 200 ADM |

Specific dollar allowances would be determined by the salary levels set forth in the Texas State Public Education Compensation Plan.

2. Financial support provided under the transportation component would be calculated in the same manner as proposed in the Senate Committee's preferred distribution plan. This calculation is explained on pages VII-4 and VII-5.

3. The maintenance and operations component would be determined as follows:

| | |
|---|---|
| . Regular education | $70 per ADM |
| . Vocational education | $126 per full-time ADM |
| . Special education | $168 per full-time ADM |

4. A program emphasis component of $100 per ADM would be provided and used in accordance with locally determined priorities.

5. Other support factors would be provided in the same manner as proposed in the preferred distribution plan. These provisions are described on pages VII-5 and VII-6.

6. Enactment of an optional local tax, permissible under revenue plans 1 and 2 only, would enable the district to provide local enrichment not to exceed 10% of the total amount determined through the five foregoing support components.

This distribution alternative is indexed as No. 1 in our projections of the results obtained by applying this alternative to Texas districts utilizing 1970-71 data.

PROGRAM WEIGHTED
SUPPORT ALTERNATIVE

The Senate Committee also considered two alternatives which do not relate in any manner to specific cost elements of the education program, i.e., personnel, transportation, etc. All funds provided under these two alternatives would be expended in accordance with locally determined educational programs, so long as minimum accreditation standards adopted by the State Board of Education were satisfied. One of these alternatives is based upon an approach providing unrestricted support grants of varying amounts determined by program levels. Under this approach, total basic district support entitlement would be determined as follows:

| | |
|---|---|
| . Regular education 1-6 | $ 625.00 per ADM |
| . Regular education 7-9 | $ 750.00 per ADM |
| . Regular education 10-12 | $ 875.00 per ADM |
| . Kindergarten | $ 812.50 per full-time ADM |
| . Special education | $1,562.50 per full-time ADM |
| . Vocational education | $1,125.00 per full-time ADM |

Local enrichment not to exceed 10% of the basic entitlement could be provided through an optional local tax under revenue plans 1 and 2.

This alternative is indexed as No. 3 in the projections of support levels.

DISTRICT SIZE
SUPPORT ALTERNATIVE

The other alternative which provides unrestricted grants and does not relate to specific cost elements of the education program utilizes a concept under which the higher "unit costs" of smaller districts are recognized.

Under this alternative, unrestricted support grants are made with higher "per unit" allowances for smaller districts. Specific levels of support would be as follows:

| | |
|---|---|
| . Districts with 10,000 and over ADM | $670 per ADM |
| . Districts with 2,500 to 9,999 ADM | $720 per ADM |
| . Districts with 1 to 2,499 ADM | $770 per ADM |

A 10% local enrichment prerogative is also allowed under this distribution plan when combined with revenue alternatives 1 and 2.

In the projections of results obtained by applying the various alternatives, this alternative is indexed as No. 4.

# VIII - EFFECT OF ALTERNATIVE PLANS ON LOCAL DISTRICTS

Appropriate testing of alternative finance plans can only be accomplished through an analysis of their effect upon the local districts involved. As indicated earlier, the effect of the several revenue and distribution alternatives (described in Section VI and VII) on all Texas school districts has been projected and these projections are available in Senator Mauzy's office and in the Texas Education Agency. A brief summary of the effects of these alternatives on a representative group of districts is presented in this section of the report. The representative districts used in this summary have been chosen based upon size and location differences, as well as their relevance to the subject matter and the makeup of the Senate Committee. The districts included (listed in order of size) are:

Houston ISD
Dallas ISD
Ft. Worth ISD
San Antonio ISD
Austin ISD
Edgewood ISD
Midland ISD
Texarkana ISD
Alamo Heights ISD
Burleson ISD
Everman ISD
Andrews ISD
City View ISD
Seaton CSD

In structuring this analysis of alternatives, we have considered each of the three revenue alternatives in connection with each of the four distribution alternatives. The reader should refer to Sections VI and VII of the report for descriptions of the revenue and distribution alternatives. All data presented are based upon 1970-71 information.

ILLUSTRATION A

IMPROVED FOUNDATION SCHOOL PROGRAM - STRUCTURED PERSONNEL CO

PREFERRED REVENUE ALTERNATIVE

PLAN 1-1

| | BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Tot Reve |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Per |
| Houston ISD | 44.2% | 55.8% | $ 621 | 100.0% | - % | $63 | 11.99c | $ 6 |
| Dallas ISD | 43.5 | 56.5 | 619 | 100.0 | - | 62 | 12.20 | 6 |
| Fort Worth ISD | 25.4 | 74.6 | 640 | 62.3 | 37.7 | 64 | 13.01 | 7 |
| San Antonio ISD | 20.4 | 79.6 | 617 | 50.0 | 50.0 | 62 | 13.01 | 6 |
| Austin ISD | 28.3 | 71.7 | 641 | 69.5 | 30.5 | 64 | 13.01 | 7 |
| Edgewood ISD | 4.4 | 95.6 | 569 | 10.8 | 89.2 | 57 | 13.01 | 6 |
| Midland ISD | 30.8 | 69.2 | 645 | 75.7 | 24.3 | 64 | 13.01 | 7 |
| Texarkana ISD | 25.3 | 74.7 | 663 | 62.2 | 37.8 | 66 | 13.01 | 7 |
| Alamo Heights ISD | 42.4 | 57.6 | 664 | 100.0 | - | 67 | 12.50 | 7 |
| Burleson ISD | 15.1 | 84.9 | 615 | 37.0 | 63.0 | 61 | 13.01 | 6 |
| Everman ISD | 17.1 | 82.9 | 593 | 41.9 | 58.1 | 59 | 13.01 | 6 |
| Andrews ISD | 380.1 | 16.8 | 2,580 | ** | ** | ** | ** | 2,5 |
| City View ISD | 25.7 | 74.3 | 585 | 63.1 | 36.9 | 58 | 13.01 | 6 |
| Seaton CSD | 163.5 | 19.1 | 1,043 | ** | ** | ** | ** | 1,0 |

*Statewide maximum tax rate is 53.00¢ per $100 market value.

**Leeway not permitted because district's tax yield exceeds Basic Program Entitlement plus

ILLUSTRATION A

IMPROVED FOUNDATION SCHOOL PROGRAM - STRUCTURED PERSONNEL COMPONENT

PREFERRED REVENUE ALTERNATIVE

PLAN 1-1

| BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| 44.2% | 55.8% | $ 621 | 100.0% | - % | $63 | 11.99¢ | $ 684 | $ 598 | 64.99¢ | 54.92¢ |
| 43.5 | 56.5 | 619 | 100.0 | - | 62 | 12.20 | 681 | 645 | 65.20 | 71.72 |
| 25.4 | 74.6 | 640 | 62.3 | 37.7 | 64 | 13.01 | 704 | 573 | 66.01 | 78.45 |
| 20.4 | 79.6 | 617 | 50.0 | 50.0 | 62 | 13.01 | 679 | 545 | 66.01 | 58.51 |
| 28.3 | 71.7 | 641 | 69.5 | 30.5 | 64 | 13.01 | 705 | 638 | 66.01 | 73.70 |
| 4.4 | 95.6 | 569 | 10.8 | 89.2 | 57 | 13.01 | 626 | 360 | 66.01 | 49.70 |
| 30.8 | 69.2 | 645 | 75.7 | 24.3 | 64 | 13.01 | 709 | 656 | 66.01 | 84.51 |
| 25.3 | 74.7 | 663 | 62.2 | 37.8 | 66 | 13.01 | 729 | 571 | 66.01 | 45.72 |
| 42.4 | 57.6 | 664 | 100.0 | - | 67 | 12.50 | 731 | 776 | 65.50 | 67.26 |
| 15.1 | 84.9 | 615 | 37.0 | 63.0 | 61 | 13.01 | 676 | 482 | 66.01 | 55.80 |
| 17.1 | 82.9 | 593 | 41.9 | 58.1 | 59 | 13.01 | 652 | 453 | 66.01 | 70.78 |
| 380.1 | 16.8 | 2,580 | ** | ** | ** | ** | 2,580 | 1,350 | 53.00 | 26.35 |
| 25.7 | 74.3 | 585 | 63.1 | 36.9 | 58 | 13.01 | 643 | 385 | 66.01 | 23.55 |
| 163.5 | 19.1 | 1,043 | ** | ** | ** | ** | 1,043 | 368 | 53.00 | 9.30 |

is 53.00¢ per $100 market value.

e district's tax yield exceeds Basic Program Entitlement plus the 10% allowable leeway.

3

## NATURE OF THE ANALYSIS

A total alternative finance plan is comprised of a revenue alternative and a distribution alternative. The analysis of each total plan is considered in terms of what is provided for a Basic Educational Program or Basic Program and what is provided under optional local leeway (or local enrichment). Comparisons are also made of the total maximum revenue which might be provided under each alternative with the actual amounts of revenue received in 1970-71. Additionally, a comparison is made between the total or maximum tax rate which would be imposed under the new alternative and the district's actual 1970-71 tax rate adjusted for application to market value.

## STRUCTURED PERSONNEL DISTRIBUTION ALTERNATIVE

The Structured Personnel Distribution Alternative is described on page VII-6. The effects of this distribution alternative combined with each of the three revenue alternatives are analyzed below.

### Preferred Revenue Alternative

Effects of the total finance plan achieved by combining the Structured Personnel Distribution Alternative with the Senate Committee's Preferred Revenue Alternative may be seen in the facing page illustration.

Theoretically, this alternative provides for State and local sharing in a 60/40 ratio. The facing page illustration indicates that local percentages of support for the Basic Program under this alternative range between 4.4% and 380.1%. There are two situations in the representative districts where the local district's share exceeds 100% of the Basic Program entitlement. These situations occur in Andrews ISD and in Seaton CSD. In both situations, the application of the maximum statewide tax rate of 53¢ per $100 of market value generates yields which exceed the district's Basic

Program entitlement plus allowable leeway. In such situations, there needs to be a special provision limiting the amount of revenues provided to these districts to that which was provided in a base year until such time as the district's Basic Program entitlement plus allowable leeway exceeds the base year revenues. Such a provision is described more fully on pages VI-4 and 5 of this report. Only five of the fourteen sample districts provide 40% or more of their Basic Program support from local district tax revenues. The other nine districts provide less than 40% of their Basic Program support from local district taxes.

The proportion of Basic Program entitlement which is provided from state funds ranges between 16.8% for Andrews ISD to 95.6% for Edgewood ISD. Funds provided to Andrews ISD from state sources under this alternative would be those coming from the per capita distribution of the Available School Fund. The reader should remember that these funds would be distributed to all districts, regardless of need or ability to generate revenues, under the Preferred Revenue Alternative.

Basic Program revenues provided to districts under this alternative range from a low of $569 per ADM in Edgewood to a high of $2,580 per ADM in Andrews. Actually, the amount provided in Andrews would be less than $2,580 because of the special provision limiting the amount of revenues which districts could receive. If we omit Andrews and Seaton from the analysis, the range is from $569 per ADM to $664 per ADM. A range of this magnitude is brought about by such factors as the degrees earned and experience of teachers in the individual districts, differing student population mixes, and the use of specially supported programs such as drivers education or educational televison. Amounts of support are determined in

ILLUSTRATION B

IMPROVED FOUNDATION SCHOOL PROGRAM - STRUCTURED PERSONNEL COMPO

EQUALIZATION FUND REVENUE ALTERNATIVE

PLAN 1-2

| | BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenu Per AD |
| Houston ISD | 44.2% | 55.8% | $621 | 100.0% | - % | $63 | 11.99¢ | $684 |
| Dallas ISD | 43.5 | 56.5 | 619 | 100.0 | - | 62 | 12.20 | 681 |
| Fort Worth ISD | 25.4 | 74.6 | 640 | 62.3 | 37.7 | 64 | 13.01 | 704 |
| San Antonio ISD | 20.4 | 79.6 | 617 | 50.0 | 50.0 | 62 | 13.01 | 679 |
| Austin ISD | 28.3 | 71.7 | 641 | 69.5 | 30.5 | 64 | 13.01 | 705 |
| Edgewood ISD | 4.4 | 95.6 | 569 | 10.8 | 89.2 | 57 | 13.01 | 626 |
| Midland ISD | 30.8 | 69.2 | 645 | 75.7 | 24.3 | 64 | 13.01 | 709 |
| Texarkana ISD | 25.3 | 74.7 | 663 | 62.2 | 37.8 | 66 | 13.01 | 729 |
| Alamo Heights ISD | 42.4 | 57.6 | 665 | 100.0 | - | 66 | 12.50 | 731 |
| Burleson ISD | 15.1 | 84.9 | 615 | 37.0 | 63.0 | 61 | 13.01 | 676 |
| Everman ISD | 17.1 | 82.9 | 593 | 41.9 | 58.1 | 59 | 13.01 | 652 |
| Andrews ISD | 100.0 | - | 650 | 100.0 | - | 65 | 1.39 | 715 |
| City View ISD | 25.7 | 74.3 | 585 | 63.1 | 36.9 | 59 | 13.01 | 643 |
| Seaton CSD | 100.0 | - | 571 | 100.0 | - | 57 | 3.24 | 628 |

*Statewide maximum tax rate is 53.00¢ per $100 market value.

ILLUSTRATION B

IPROVED FOUNDATION SCHOOL PROGRAM - STRUCTURED PERSONNEL COMPONENT

EQUALIZATION FUND REVENUE ALTERNATIVE

PLAN 1-2

| BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| ocal % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| .2% | 55.8% | $621 | 100.0% | - % | $63 | 11.99¢ | $684 | $ 598 | 64.99¢ | 54.92¢ |
| .5 | 56.5 | 619 | 100.0 | - | 62 | 12.20 | 681 | 645 | 65.20 | 71.72 |
| .4 | 74.6 | 640 | 62.3 | 37.7 | 64 | 13.01 | 704 | 573 | 66.01 | 78.45 |
| .4 | 79.6 | 617 | 50.0 | 50.0 | 62 | 13.01 | 679 | 545 | 66.01 | 58.51 |
| .3 | 71.7 | 641 | 69.5 | 30.5 | 64 | 13.01 | 705 | 638 | 66.01 | 73.70 |
| .4 | 95.6 | 569 | 10.8 | 89.2 | 57 | 13.01 | 626 | 360 | 66.01 | 49.70 |
| .8 | 69.2 | 645 | 75.7 | 24.3 | 64 | 13.01 | 709 | 656 | 66.01 | 84.51 |
| .3 | 74.7 | 663 | 62.2 | 37.8 | 66 | 13.01 | 729 | 571 | 66.01 | 45.72 |
| .4 | 57.6 | 665 | 100.0 | - | 66 | 12.50 | 731 | 776 | 65.50 | 67.26 |
| .1 | 84.9 | 615 | 37.0 | 63.0 | 61 | 13.01 | 676 | 482 | 66.01 | 55.80 |
| .1 | 82.9 | 593 | 41.9 | 58.1 | 59 | 13.01 | 652 | 453 | 66.01 | 70.78 |
| .0 | - | 650 | 100.0 | - | 65 | 1.39 | 715 | 1,350 | 54.39 | 26.34 |
| .7 | 74.3 | 585 | 63.1 | 36.9 | 59 | 13.01 | 643 | 385 | 66.01 | 23.55 |
| .0 | - | 571 | 100.0 | - | 57 | 3.24 | 628 | 368 | 56.24 | 9.30 |

3.00¢ per $100 market value.

7

part by the Texas State Public Education Compensation Plan which provides higher levels of support for advanced degrees and added experience. Obviously, other factors such as the transportation component contribute to the differential in the support provided.

With regard to local leeway, we see that three of the districts would receive no state funds for local leeway. Nine districts would be entitled to receive additional state subsidies in support of local leeway if the voters in those districts opt for maximum local enrichment. No additional local leeway would be allowed in Andrews or in Seaton because the tax yield in those two districts would generate revenues greater than Basic Program support plus allowable leeway.

Comparison of the range of total tax rates produced under this plan indicates that the maximum tax rate to support the Basic Program would be 53¢ per $100 of market value while the maximum rate to support the program plus allowable leeway would be 66.01¢ per $100 of market value. This range compares with an actual 1970-71 tax rate (adjusted) of 9.30¢ per $100 of market value in Seaton to 84.51¢ per $100 of market value in Midland.

Statewide funding averages under this alternative would be as follows:

| | |
|---|---|
| Basic Program revenues per ADM | $676 |
| Maximum leeway per ADM | 61 |
| Total support per ADM | 737 |
| Basic Program allowance per ADM | 639 |

Using the maximum tax rate, the minimum funding allowance, including leeway, to be received by any district would be $624 per ADM and the maximum would be $48,277. This maximum allowance would be reduced by imposing the limitation provision described on pages VI-4 and 5.

Equalization Fund
Revenue Alternative

Results of applying this total finance plan alternative to the representative districts may be seen in the facing page illustration.

ILLUSTRATION C

IMPROVED FOUNDATION SCHOOL PROGRAM - STRUCTURED PERSONNEL COMPO

STATEWIDE PROPERTY TAX REVENUE ALTERNATIVE

PLAN 1-3

| | BASIC PROGRAM | | | OPTIONAL LOCAL LEEWAY | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenu Per AD |
| Houston ISD | 44.2% | 55.8% | $621 | - - - | Not Allowed | | - - - | $621 |
| Dallas ISD | 43.5 | 56.5 | 619 | - - - | Not Allowed | | - - - | 619 |
| Fort Worth ISD | 25.4 | 74.6 | 640 | - - - | Not Allowed | | - - - | 640 |
| San Antonio ISD | 20.4 | 79.6 | 617 | - - - | Not Allowed | | - - - | 617 |
| Austin ISD | 28.3 | 71.7 | 641 | - - - | Not Allowed | | - - - | 641 |
| Edgewood ISD | 4.4 | 95.6 | 569 | - - - | Not Allowed | | - - - | 569 |
| Midland ISD | 30.8 | 69.2 | 645 | - - - | Not Allowed | | - - - | 645 |
| Texarkana ISD | 25.3 | 74.7 | 663 | - - - | Not Allowed | | - - - | 663 |
| Alamo Heights ISD | 42.4 | 57.6 | 665 | - - - | Not Allowed | | - - - | 665 |
| Burleson ISD | 15.1 | 84.9 | 615 | - - - | Not Allowed | | - - - | 615 |
| Everman ISD | 17.1 | 82.9 | 593 | - - - | Not Allowed | | - - - | 593 |
| Andrews ISD | 100.0 | - | 650 | - - - | Not Allowed | | - - - | 650 |
| City View ISD | 25.7 | 74.3 | 585 | - - - | Not Allowed | | - - - | 585 |
| Seaton CSD | 100.0 | - | 571 | - - - | Not Allowed | | - - - | 571 |

ILLUSTRATION C

IMPROVED FOUNDATION SCHOOL PROGRAM - STRUCTURED PERSONNEL COMPONENT

STATEWIDE PROPERTY TAX REVENUE ALTERNATIVE

PLAN 1-3

| BASIC PROGRAM | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| 4.2% | 55.8% | $621 | - - - | Not Allowed | | - - - | $621 | $ 598 | 53.00¢ | 54.92¢ |
| 3.5 | 56.5 | 619 | - - - | Not Allowed | | - - - | 619 | 645 | 53.00 | 71.72 |
| 5.4 | 74.6 | 640 | - - - | Not Allowed | | - - - | 640 | 573 | 53.00 | 78.45 |
| 0.4 | 79.6 | 617 | - - - | Not Allowed | | - - - | 617 | 545 | 53.00 | 58.51 |
| 8.3 | 71.7 | 641 | - - - | Not Allowed | | - - - | 641 | 638 | 53.00 | 73.70 |
| 4.4 | 95.6 | 569 | - - - | Not Allowed | | - - - | 569 | 360 | 53.00 | 49.70 |
| 0.8 | 69.2 | 645 | - - - | Not Allowed | | - - - | 645 | 656 | 53.00 | 84.51 |
| 5.3 | 74.7 | 663 | - - - | Not Allowed | | - - - | 663 | 571 | 53.00 | 45.72 |
| 2.4 | 57.6 | 665 | - - - | Not Allowed | | - - - | 665 | 776 | 53.00 | 67.26 |
| 5.1 | 84.9 | 615 | - - - | Not Allowed | | - - - | 615 | 482 | 53.00 | 55.80 |
| 7.1 | 82.9 | 593 | - - - | Not Allowed | | - - - | 593 | 453 | 53.00 | 70.78 |
| 0.0 | - | 650 | - - - | Not Allowed | | - - - | 650 | 1,350 | 53.00 | 26.35 |
| 5.7 | 74.3 | 585 | - - - | Not Allowed | | - - - | 585 | 385 | 53.00 | 23.55 |
| 0.0 | - | 571 | - - - | Not Allowed | | - - - | 571 | 368 | 53.00 | 9.30 |

This alternative produces results which are generally similar to those produced by the immediately preceding alternative with the exception that both Andrews and Seaton would be limited to receiving support at a level equal to their Basic Program entitlement plus optional local leeway. Both of these districts would be required to tax at rates which are generally similar to other districts and the excess yields of their taxing efforts would be remitted to a State Equalization Fund.

Among the representative districts, the range of total revenues (including full use of the leeway option) provided by this alternative is between $626 per ADM and $731 per ADM. These amounts can be compared with actual 1970-71 ranges of $360 to $1,350. Tax rate ranges would be similar to those in the imemdiately preceding alternative (53¢ for basic program and 66.01¢ maximum including leeway).

This total finance plan produces the following statewide funding averages:

| | |
|---|---|
| Basic Program revenues per ADM | $639 |
| Maximum leeway per ADM | 64 |
| Total support per ADM | 703 |
| Basic Program allowance per ADM | 639 |

On a statewide basis, the total support amount ranges between $624 and $1,124 per ADM.

Statewide Property Tax Alternative

The effects of the total finance plan derived by combining the Structured Personnel Distribution Alternative with the Statewide Property Tax Alternative are illustrated on the facing page.

Amounts provided for Basic Program entitlement under this alternative are exactly the same as those under the immediately preceding alternative.

All funds would be received directly from the State under this alternative. However, we have continued to show in the illustration the respective amounts which would come from property taxes in each district (the amount shown as "local") and the amounts which would come from current state revenue sources (the amount shown as "state").

There are no provisions for optional local enrichment under this alternative.

For the districts shown in the illustration, the range of revenues per ADM is from $569 to $665. Again, this differential may be attributed to the factors which provide for different entitlement under the personnel component, under the transportation component, and under the miscellaneous programs. All property within the State would be taxed at the rate of 53c per $100 of market value to provide the support levels shown in th illustration.

A statewide average of $639 per ADM would be provided under this alternative. The minimum amount provided to any district would be $500 per ADM while the maximum amount would be $1,022 per ADM.

VARIABLE PERSONNEL DISTRIBUTION
PLAN (PREFERRED DISTRIBUTION PLAN)

A detailed description of the Variable Personnel Distribution Plan may be found beginning on page VII-2. This alternative distribution plan is one which provides for the use of a methodology somewhat similar to that currently in effect with the exception that districts are entitled to a specified number of personnel and they have the authority to determine their own mixture of staffing to fill these personnel authorizations. This portion of the report is devoted to an analysis of the effects achieved by combining this distribution alternative with each of the three revenue alternatives.

ILLUSTRATION D

IMPROVED FOUNDATION SCHOOL PROGRAM - VARIABLE PERSONNEL COMPO

PREFERRED REVENUE ALTERNATIVE

PLAN 2-1

| | BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADMA | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per AD |
| Houston ISD | 43.8% | 56.2% | $ 646 | 100.0% | - | $65 | 12.47¢ | 711 |
| Dallas ISD | 43.0 | 57.0 | 645 | 100.0 | - | 64 | 12.7[illegible] | 709 |
| Fort Worth ISD | 25.3 | 74.7 | 661 | 62.2 | 37.8 | 66 | 13.43 | 727 |
| San Antonio ISD | 20.1 | 79.9 | 645 | 49.4 | 50.6 | 65 | 13.43 | 710 |
| Austin ISD | 28.2 | 71.8 | 664 | 69.2 | 30.8 | 66 | 13.43 | 730 |
| Edgewood ISD | 4.4 | 95.6 | 584 | 10.9 | 89.1 | 59 | 13.43 | 643 |
| Midland ISD | 30.2 | 69.8 | 678 | 74.3 | 25.7 | 68 | 13.43 | 746 |
| Texarkana ISD | 25.7 | 74.3 | 676 | 63.0 | 37.0 | 67 | 13.43 | 743 |
| Alamo Heights ISD | 41.1 | 58.9 | 707 | 100.0 | - | 70 | 13.30 | 777 |
| Burleson ISD | 15.2 | 84.8 | 628 | 37.4 | 62.6 | 63 | 13.43 | 691 |
| Everman ISD | 17.0 | 83.0 | 613 | 41.8 | 58.2 | 62 | 13.43 | 675 |
| Andrews ISD | 367.9 | 15.7 | 2,659 | ** | ** | ** | ** | 2,659 |
| City View ISD | 27.2 | 72.8 | 569 | 66.9 | 33.1 | 57 | 13.43 | 626 |
| Seaton CSD | 160.8 | 18.2 | 1,072 | ** | ** | ** | ** | 1,072 |

*Statewide maximum tax rate is 54.69¢ per $100 market value.

**Leeway not permitted because district's tax yield exceeds Basic Program Entitlement plus th

ILLUSTRATION D

IMPROVED FOUNDATION SCHOOL PROGRAM - VARIABLE PERSONNEL COMPONENT

PREFERRED REVENUE ALTERNATIVE

PLAN 2-1

| BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| al % | State % | Revenue Per ADMA | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| 8% | 56.2% | $ 646 | 100.0% | - | $65 | 12.47¢ | 711 | 598 | 67.16¢ | 54.92¢ |
| 0 | 57.0 | 645 | 100.0 | - | 64 | 12.71 | 709 | 645 | 67.40 | 71.72 |
| 3 | 74.7 | 661 | 62.2 | 37.8 | 66 | 13.43 | 727 | 573 | 68.12 | 78.45 |
| 1 | 79.9 | 645 | 49.4 | 50.6 | 65 | 13.43 | 710 | 545 | 68.12 | 58.51 |
| 2 | 71.8 | 664 | 69.2 | 30.8 | 66 | 13.43 | 730 | 638 | 68.12 | 73.70 |
| 4 | 95.6 | 584 | 10.9 | 89.1 | 59 | 13.43 | 643 | 360 | 68.12 | 49.70 |
| 2 | 69.8 | 678 | 74.3 | 25.7 | 68 | 13.43 | 746 | 656 | 68.12 | 84.51 |
| 7 | 74.3 | 676 | 63.0 | 37.0 | 67 | 13.43 | 743 | 571 | 68.12 | 45.72 |
| 1 | 58.9 | 707 | 100.0 | - | 70 | 13.30 | 777 | 776 | 67.99 | 67.26 |
| 2 | 84.8 | 628 | 37.4 | 62.6 | 63 | 13.43 | 691 | 482 | 68.12 | 55.80 |
| 0 | 83.0 | 613 | 41.8 | 58.2 | 62 | 13.43 | 675 | 453 | 68.12 | 70.78 |
| 9 | 15.7 | 2,659 | ** | ** | ** | ** | 2,659 | 1,350 | 54.69 | 26.35 |
| 2 | 72.8 | 569 | 66.9 | 33.1 | 57 | 13.43 | 626 | 385 | 68.12 | 23.55 |
| 8 | 18.2 | 1,072 | ** | ** | ** | ** | 1,072 | 368 | 54.69 | 9.30 |

4.69¢ per $100 market value.

strict's tax yield exceeds Basic Program Entitlement plus the 10% allowable leeway.

At the conclusion of its deliberations, the Senate Committee voted to express its preference for this distribution alternative out of those that it had considered.

Preferred Revenue Alternative

Results attained by applying this finance plan alternative to the fourteen representative districts are illustrated on the facing page.

Analysis of the facing page illustration and comparison with other alternatives leads to the following conclusions.

1. A slightly higher level of financial support is generated for Texas schools under the Variable Personnel Distribution Plan alternative when compared with the Structured Personnel Distribution Alternative.

2. Certain districts will generate tax revenues in excess of their Basic Program entitlement plus allowable leeway under this alternative. It will be necessary to make a special provision limiting the support provided these districts.

3. The proportions of total support which come from State/local sources under the Variable Personnel Distribution Plan are very similar to the proportions realized under the Structured Personnel Distribution Alternative.

4. Basic Program support amounts per ADM range from $584 (Edgewood) to $2,659 (Andrews).

5. Revenues generated under optional local leeway taxes and tax rates for this purpose under the Variable Personnel Distribution Plan would be generally similar to those derived from application of the Structured Personnel Alternative.

6. The total or maximum revenue per ADM would range from $643 to $2,659.

7. Tax rates would range from a maximum of 54.69¢ per $100 of market value for the Basic Program to 68.12¢ per $100 of market value when leeway is included.

ILLUSTRATION E

IMPROVED FOUNDATION SCHOOL PROGRAM - VARIABLE PERSONNEL COMPONE

EQUALIZATION FUND REVENUE ALTERNATIVE

PLAN 2-2

| | BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADA |
| Houston ISD | 43.8% | 56.2% | $646 | 100.0% | - % | $65 | 12.47¢ | $711 |
| Dallas ISD | 43.0 | 57.0 | 645 | 100.0 | - | 64 | 12.71 | 709 |
| Fort Worth ISD | 25.3 | 74.7 | 661 | 62.2 | 37.8 | 66 | 13.43 | 727 |
| San Antonio ISD | 20.1 | 79.9 | 645 | 49.4 | 50.6 | 65 | 13.43 | 710 |
| Austin ISD | 28.2 | 71.8 | 664 | 69.2 | 30.8 | 66 | 13.43 | 730 |
| Edgewood ISD | 4.4 | 95.6 | 584 | 10.9 | 89.1 | 59 | 13.43 | 643 |
| Midland ISD | 30.2 | 69.8 | 678 | 74.3 | 25.7 | 68 | 13.43 | 746 |
| Texarkana ISD | 25.7 | 74.3 | 676 | 63.0 | 37.0 | 67 | 13.43 | 743 |
| Alamo Heights ISD | 41.1 | 58.9 | 707 | 100.0 | - | 70 | 13.30 | 777 |
| Burleson ISD | 15.2 | 84.8 | 628 | 37.4 | 62.6 | 63 | 13.43 | 691 |
| Everman ISD | 17.0 | 83.0 | 613 | 41.8 | 58.2 | 62 | 13.43 | 675 |
| Andrews ISD | 100.0 | - | 700 | 100.0 | - | 70 | 1.50 | 770 |
| City View ISD | 27.2 | 72.8 | 569 | 66.9 | 33.1 | 57 | 13.43 | 626 |
| Seaton CSD | 100.0 | - | 591 | 100.0 | - | 59 | 3.35 | 650 |

*Statewide maximum tax rate is 54.69¢ per $100 market value.

ILLUSTRATION E

MPROVED FOUNDATION SCHOOL PROGRAM - VARIABLE PERSONNEL COMPONENT

EQUALIZATION FUND REVENUE ALTERNATIVE

PLAN 2-2

| BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| cal % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| 8% | 56.2% | $646 | 100.0% | - % | $65 | 12.47¢ | $711 | $ 598 | 67.16¢ | 54.92¢ |
| 0 | 57.0 | 645 | 100.0 | - | 64 | 12.71 | 709 | 645 | 67.40 | 71.72 |
| 3 | 74.7 | 661 | 62.2 | 37.8 | 66 | 13.43 | 727 | 573 | 68.12 | 78.45 |
| 1 | 79.9 | 645 | 49.4 | 50.6 | 65 | 13.43 | 710 | 545 | 68.12 | 58.51 |
| 2 | 71.8 | 664 | 69.2 | 30.8 | 66 | 13.43 | 730 | 638 | 68.12 | 73.70 |
| 4 | 95.6 | 584 | 10.9 | 89.1 | 59 | 13.43 | 643 | 360 | 68.12 | 49.70 |
| 2 | 69.8 | 678 | 74.3 | 25.7 | 68 | 13.43 | 746 | 656 | 68.12 | 84.51 |
| 7 | 74.3 | 676 | 63.0 | 37.0 | 67 | 13.43 | 743 | 571 | 68.12 | 45.72 |
| 1 | 58.9 | 707 | 100.0 | - | 70 | 13.30 | 777 | 776 | 67.99 | 67.26 |
| 2 | 84.8 | 628 | 37.4 | 62.6 | 63 | 13.43 | 691 | 482 | 68.12 | 55.80 |
| 0 | 83.0 | 613 | 41.8 | 58.2 | 62 | 13.43 | 675 | 453 | 68.12 | 70.78 |
| 0 | - | 700 | 100.0 | - | 70 | 1.50 | 770 | 1,350 | 56.18 | 26.35 |
| 2 | 72.8 | 569 | 66.9 | 33.1 | 57 | 13.43 | 626 | 385 | 68.12 | 23.55 |
| 0 | - | 591 | 100.0 | - | 59 | 3.35 | 650 | 368 | 58.03 | 9.30 |

.69¢ per $100 market value.

ILLUSTRATION F

IMPROVED FOUNDATION SCHOOL PROGRAM - VARIABLE PERSONNEL COMPO

STATEWIDE PROPERTY TAX REVENUE ALTERNATIVE

PLAN 2-3

| | BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Tota |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Rever Per A |
| Houston ISD | 43.8% | 56.2% | $646 | - - - - Not Allowed - - - - | | | | $64 |
| Dallas ISD | 43.0 | 57.0 | 645 | - - - - Not Allowed - - - - | | | | 64 |
| Fort Worth ISD | 25.3 | 74.7 | 661 | - - - - Not Allowed - - - - | | | | 66 |
| San Antonio ISD | 20.1 | 79.9 | 645 | - - - - Not Allowed - - - - | | | | 64 |
| Austin ISD | 28.2 | 71.8 | 664 | - - - - Not Allowed - - - - | | | | 66 |
| Edgewood ISD | 4.4 | 95.6 | 584 | - - - - Not Allowed - - - - | | | | 58 |
| Midland ISD | 30.2 | 69.8 | 678 | - - - - Not Allowed - - - - | | | | 67 |
| Texarkana ISD | 25.7 | 74.3 | 676 | - - - - Not Allowed - - - - | | | | 67 |
| Alamo Heights ISD | 41.1 | 58.9 | 707 | - - - - Not Allowed - - - - | | | | 70 |
| Burleson ISD | 15.2 | 84.8 | 628 | - - - - Not Allowed - - - - | | | | 62 |
| Everman ISD | 17.0 | 83.0 | 613 | - - - - Not Allowed - - - - | | | | 61 |
| Andrews ISD | 100.0 | - | 700 | - - - - Not Allowed - - - - | | | | 70 |
| City View ISD | 27.2 | 72.8 | 569 | - - - - Not Allowed - - - - | | | | 56 |
| Seaton CSD | 100.0 | - | 591 | - - - - Not Allowed - - - - | | | | 59 |

ILLUSTRATION F

IMPROVED FOUNDATION SCHOOL PROGRAM - VARIABLE PERSONNEL COMPONENT

STATEWIDE PROPERTY TAX REVENUE ALTERNATIVE

PLAN 2-3

| BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| ocal % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per Adm | Tax Rate | 1970-71 Tax Rate |
| 3.8% | 56.2% | $646 | - - - - Not Allowed - - - - | | | | $646 | $ 598 | 54.69¢ | 54.92¢ |
| .0 | 57.0 | 645 | - - - - Not Allowed - - - - | | | | 645 | 645 | 54.69 | 71.72 |
| .3 | 74.7 | 661 | - - - - Not Allowed - - - - | | | | 661 | 573 | 54.69 | 78.45 |
| .1 | 79.9 | 645 | - - - - Not Allowed - - - - | | | | 645 | 545 | 54.69 | 58.51 |
| .2 | 71.8 | 664 | - - - - Not Allowed - - - - | | | | 664 | 638 | 54.69 | 73.70 |
| .4 | 95.6 | 584 | - - - - Not Allowed - - - - | | | | 584 | 360 | 54.69 | 49.70 |
| .2 | 69.8 | 678 | - - - - Not Allowed - - - - | | | | 678 | 656 | 54.69 | 84.51 |
| .7 | 74.3 | 676 | - - - - Not Allowed - - - - | | | | 676 | 571 | 54.69 | 45.72 |
| .1 | 58.9 | 707 | - - - - Not Allowed - - - - | | | | 707 | 776 | 54.69 | 67.26 |
| .2 | 84.8 | 628 | - - - - Not Allowed - - - - | | | | 628 | 482 | 54.69 | 55.80 |
| .0 | 83.0 | 613 | - - - - Not Allowed - - - - | | | | 613 | 453 | 54.69 | 70.78 |
| .0 | - | 700 | - - - - Not Allowed - - - - | | | | 700 | 1,350 | 54.69 | 26.35 |
| .2 | 72.8 | 569 | - - - - Not Allowed - - - - | | | | 569 | 385 | 54.69 | 23.55 |
| .0 | - | 591 | - - - - Not Allowed - - - - | | | | 591 | 368 | 54.69 | 9.30 |

Such a financing alternative would provide a statewide average revenue of $698 per ADM for Basic Program support. Leeway provisions could increase this amount to $760 as a statewide average. On a statewide basis, the least total support amount per ADM (including leeway) which any district would receive is estimated to be $606.

Equalization Fund
Revenue Alternative

The facing page illustration (Illustration E) indicates results achieved by applying this combination of alternatives to the representative school districts. These results are very similar to those attained through application of the immediately preceding alternative with the following exceptions.

- Total revenues per ADM for Andrews ISD would be limited to $770.
- Total revenues per ADM for Seaton CSD would be $650 instead of $1,072.
- Tax revenues generated by Andrews ISD and Seaton CSD in excess of total entitlement would be remitted to a State Equalization Fund.
- Andrews ISD and Seaton CSD would not receive per capita distributions from the Available School Fund.

This total plan alternative would provide a statewide average Basic Program entitlement of $660 per ADM with a leeway amount of $66 per ADM resulting in a total funding average of $726 per ADM. The maximum allowance per ADM of any school district in the State would be $1,615 and the minimum per ADM allowance would be $606.

Statewide Property
Tax Alternative

Use of a statewide property tax in combination with the Variable Personnel Distribution Alternative would affect the representative school districts as indicated in the facing page illustration (Illustration F).

ILLUSTRATION G

PROGRAM WEIGHTED SUPPORT ENTITLEMENT

PREFERRED REVENUE ALTERNATIVE

PLAN 3-1

| | BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM |
| Houston ISD | 43.3% | 56.7% | $ 737 | 100.0% | - % | $74 | 14.22¢ | $ 811 |
| Dallas ISD | 42.2 | 57.8 | 739 | 100.0 | - | 74 | 14.56 | 813 |
| Fort Worth ISD | 25.1 | 74.9 | 750 | 61.8 | 38.2 | 75 | 15.14 | 825 |
| San Antonio ISD | 19.5 | 80.5 | 750 | 47.9 | 52.1 | 75 | 15.14 | 825 |
| Austin ISD | 27.9 | 72.1 | 755 | 68.6 | 31.4 | 76 | 15.14 | 831 |
| Edgewood ISD | 4.1 | 95.9 | 712 | 10.1 | 90.0 | 71 | 15.14 | 783 |
| Midland ISD | 30.3 | 69.7 | 761 | 74.6 | 25.4 | 76 | 15.14 | 837 |
| Texarkana ISD | 25.3 | 74.7 | 772 | 62.1 | 37.9 | 77 | 15.14 | 849 |
| Alamo Heights ISD | 40.9 | 59.1 | 800 | 100.0 | - | 80 | 15.06 | 880 |
| Burleson ISD | 14.5 | 85.5 | 740 | 35.8 | 64.2 | 74 | 15.14 | 814 |
| Everman ISD | 16.2 | 83.8 | 725 | 37.8 | 60.2 | 73 | 15.14 | 798 |
| Andrews ISD | 389.9 | 14.8 | 2,977 | ** | ** | ** | ** | 2,977 |
| City View ISD | 26.7 | 73.3 | 653 | 65.7 | 34.3 | 65 | 15.14 | 718 |
| Seaton CSD | 168.8 | 17.0 | 1,193 | ** | ** | ** | ** | 1,193 |

*Statewide maximum tax rate is 61.51¢ per $100 market value.

**Leeway not permitted because district's tax yield exceeds Basic Program Entitlement plus th

ILLUSTRATION G

PROGRAM WEIGHTED SUPPORT ENTITLEMENT

PREFERRED REVENUE ALTERNATIVE

PLAN 3-1

| BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| al % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| 3% | 56.7% | $ 737 | 100.0% | - % | $74 | 14.22¢ | $ 811 | $ 598 | 75.74¢ | 54.92¢ |
| 2 | 57.8 | 739 | 100.0 | - | 74 | 14.56 | 813 | 645 | 76.08 | 71.72 |
| 1 | 74.9 | 750 | 61.8 | 38.2 | 75 | 15.14 | 825 | 573 | 76.65 | 78.45 |
| 5 | 80.5 | 750 | 47.9 | 52.1 | 75 | 15.14 | 825 | 545 | 76.65 | 58.51 |
| 9 | 72.1 | 755 | 68.6 | 31.4 | 76 | 15.14 | 831 | 638 | 76.65 | 73.70 |
| 1 | 95.9 | 712 | 10.1 | 90.0 | 71 | 15.14 | 783 | 360 | 76.65 | 49.70 |
| 3 | 69.7 | 761 | 74.6 | 25.4 | 76 | 15.14 | 837 | 656 | 76.65 | 84.51 |
| 3 | 74.7 | 772 | 62.1 | 37.9 | 77 | 15.14 | 849 | 571 | 76.65 | 45.72 |
| 9 | 59.1 | 800 | 100.0 | - | 80 | 15.06 | 880 | 776 | 76.57 | 67.26 |
| 5 | 85.5 | 740 | 35.8 | 64.2 | 74 | 15.14 | 814 | 482 | 76.65 | 55.80 |
| 2 | 83.8 | 725 | 37.8 | 60.2 | 73 | 15.14 | 798 | 453 | 76.65 | 70.78 |
| 9 | 14.8 | 2,977 | ** | ** | ** | ** | 2,977 | 1,350 | 61.51 | 26.35 |
| 7 | 73.3 | 653 | 65.7 | 34.3 | 65 | 15.14 | 718 | 385 | 76.65 | 23.55 |
| 8 | 17.0 | 1,193 | ** | ** | ** | ** | 1,193 | 368 | 61.51 | 9.30 |

1.51¢ per $100 market value.

strict's tax yield exceeds Basic Program Entitlement plus the 10% allowable leeway.

Since no local leeway is allowed under this alternative, our analysis focuses entirely upon the allowances provided for Basic Program support. These amounts range from $584 per ADM in Edgewood ISD to $707 per ADM in Alamo Heights ISD. The statewide average of funding provided under this alternative is $660 per ADM. On a statewide basis, the minimum allowance per ADM is $545 while the maximum is $1,574.

PROGRAM WEIGHTED
SUPPORT ALTERNATIVE

This alternative distribution plan generally provides for a system of unrestricted support grants to local school districts. It is described more fully on page VII-8. Total finance plans created by combining this support alternative with each of the three revenue alternatives are analyzed in this section of the report.

Preferred Revenue
Alternative

In terms of the proportion of support provided from state and local sources, this alternative yields results generally similar to the two previously discussed distribution alternatives in combination with this revenue plan. A generally higher level of financial support is provided for district Basic Educational Programs under this alternative distribution plan. By referring to the facing page illustration, we see that the range of Basic Program support is from $712 per ADM to $2,977 per ADM. Again, the application of a limitation provision would reduce this amount of $2,977 to the amount that the district had received in some base year.

Optional local leeway is allowed under this plan with the maximum leeway tax being 15.14¢ per $100 of market value. In the case of the two

ILLUSTRATION H

PROGRAM WEIGHTED SUPPORT ENTITLEMENT

EQUALIZATION FUND REVENUE ALTERNATIVE

PLAN 3-2

| | BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per AD |
| Houston ISD | 43.3% | 56.7% | $737 | 100.0% | - % | $74 | 14.22¢ | $811 |
| Dallas ISD | 42.2 | 57.8 | 739 | 100.0 | - | 74 | 14.56 | 813 |
| Fort Worth ISD | 25.1 | 74.9 | 750 | 61.8 | 38.2 | 75 | 15.14 | 825 |
| San Antonio ISD | 19.5 | 80.5 | 750 | 47.9 | 52.1 | 75 | 15.14 | 825 |
| Austin ISD | 27.9 | 72.1 | 755 | 68.6 | 31.4 | 76 | 15.14 | 831 |
| Edgewood ISD | 4.1 | 95.9 | 712 | 10.1 | 90.0 | 71 | 15.14 | 783 |
| Midland ISD | 30.3 | 69.7 | 761 | 74.6 | 25.4 | 76 | 15.14 | 837 |
| Texarkana ISD | 25.3 | 74.7 | 772 | 62.1 | 37.9 | 77 | 15.14 | 849 |
| Alamo Heights ISD | 40.9 | 59.1 | 800 | 100.0 | - | 80 | 15.06 | 880 |
| Burleson ISD | 14.5 | 85.5 | 740 | 35.8 | 64.2 | 74 | 15.14 | 814 |
| Everman ISD | 16.2 | 83.8 | 725 | 39.8 | 60.2 | 73 | 15.14 | 798 |
| Andrews ISD | 100.0 | - | 735 | 100.0 | - | 74 | 1.59 | 809 |
| City View ISD | 26.7 | 73.3 | 653 | 65.7 | 34.3 | 65 | 15.14 | 718 |
| Seaton CSD | 100.0 | - | 642 | 100.0 | - | 64 | 3.64 | 706 |

*Statewide maximum tax rate is 61.51¢ per $100 market value.

ILLUSTRATION H

PROGRAM WEIGHTED SUPPORT ENTITLEMENT

EQUALIZATION FUND REVENUE ALTERNATIVE

PLAN 3-2

| BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| cal % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| .3% | 56.7% | $737 | 100.0% | - % | $74 | 14.22¢ | $811 | $ 598 | 75.74¢ | 54.92¢ |
| .2 | 57.8 | 739 | 100.0 | - | 74 | 14.56 | 813 | 645 | 76.08 | 71.72 |
| .1 | 74.9 | 750 | 61.8 | 38.2 | 75 | 15.14 | 825 | 573 | 76.65 | 78.45 |
| .5 | 80.5 | 750 | 47.9 | 52.1 | 75 | 15.14 | 825 | 545 | 76.65 | 58.51 |
| .9 | 72.1 | 755 | 68.6 | 31.4 | 76 | 15.14 | 831 | 638 | 76.65 | 73.70 |
| .1 | 95.9 | 712 | 10.1 | 90.0 | 71 | 15.14 | 783 | 360 | 76.65 | 49.70 |
| .3 | 69.7 | 761 | 74.6 | 25.4 | 76 | 15.14 | 837 | 656 | 76.65 | 84.51 |
| .3 | 74.7 | 772 | 62.1 | 37.9 | 77 | 15.14 | 849 | 571 | 76.65 | 45.72 |
| .9 | 59.1 | 800 | 100.0 | - | 80 | 15.06 | 880 | 776 | 76.57 | 67.26 |
| .5 | 85.5 | 740 | 35.8 | 64.2 | 74 | 15.14 | 814 | 482 | 76.65 | 55.80 |
| .2 | 83.8 | 725 | 39.8 | 60.2 | 73 | 15.14 | 798 | 453 | 76.65 | 70.78 |
| .0 | - | 735 | 100.0 | - | 74 | 1.59 | 809 | 1,350 | 63.09 | 26.35 |
| .7 | 73.3 | 653 | 65.7 | 34.3 | 65 | 15.14 | 718 | 385 | 76.65 | 23.55 |
| .0 | - | 642 | 100.0 | - | 64 | 3.64 | 706 | 368 | 65.16 | 9.30 |

.51¢ per $100 market value.

districts which generate revenues in excess of their Basic Program entitlement plus allowable leeway by applying the Basic Program maximum tax rate, no leeway tax would be required.

The range of total revenues per ADM under this alternative is from $783 to $2,977. Utilization of a Basic Program maximum tax rate of 61.51¢ and the optional leeway tax rate of 15.14¢ results in a total maximum tax rate of 76.65¢ per $100 of market value.

Use of this alternative yields the following statewide funding averages:

| | |
|---|---|
| Basic Program revenue per ADM | $789 |
| Maximum leeway per ADM | 70 |
| Total support per ADM | 859 |
| Basic Program allowance per ADM | 744 |

The minimum total support per ADM on a statewide basis is $688 while the maximum support is $56,017 per ADM. This maximum allowance would obviously be reduced by imposing the limitation provision described on pages VI-4 and 5.

Equalization Fund
Revenue Alternative

The facing page illustration presents results attained by applying a total plan alternative combining the Program Weighted Support Entitlement with the Equalization Fund Revenue Alternative.

Contributions to an equalization fund and elimination of the per capita distribution of the Available School Fund reduce the amounts received by the districts with comparatively greater property wealth. Tax rates required for support of this alternative are generally the same as those required for the immediately preceding alternative. Basic Program support allowances range from $712 per ADM to $800 per ADM for the representative districts. Total revenues per ADM range between $783 and $880.

ILLUSTRATION I

PROGRAM WEIGHTED SUPPORT ENTITLEMENT

STATEWIDE PROPERTY TAX REVENUE ALTERNATIVE

PLAN 3-3

| | BASIC PROGRAM | | | OPTIONAL LOCAL LEEWAY | | | | Tot |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Reve Per |
| Houston ISD | 43.3% | 56.7% | $737 | - - - - Not Allowed - - - - | | | | $7 |
| Dallas ISD | 42.2 | 57.8 | 739 | - - - - Not Allowed - - - - | | | | 7 |
| Fort Worth ISD | 25.1 | 74.9 | 750 | - - - - Not Allowed - - - - | | | | 7 |
| San Antonio ISD | 19.5 | 80.5 | 750 | - - - - Not Allowed - - - - | | | | 7 |
| Austin ISD | 27.9 | 72.1 | 755 | - - - - Not Allowed - - - - | | | | 7 |
| Edgewood ISD | 4.1 | 95.9 | 712 | - - - - Not Allowed - - - - | | | | 7 |
| Midland ISD | 30.3 | 69.7 | 761 | - - - - Not Allowed - - - - | | | | 7 |
| Texarkana ISD | 25.3 | 74.7 | 772 | - - - - Not Allowed - - - - | | | | 7 |
| Alamo Heights ISD | 40.9 | 59.1 | 800 | - - - - Not Allowed - - - - | | | | 8 |
| Burleson ISD | 14.5 | 85.5 | 740 | - - - - Not Allowed - - - - | | | | 7 |
| Everman ISD | 16.2 | 83.8 | 725 | - - - - Not Allowed - - - - | | | | 7 |
| Andrews ISD | 100.00 | - | 735 | - - - - Not Allowed - - - - | | | | 7 |
| City View ISD | 26.7 | 73.3 | 653 | - - - - Not Allowed - - - - | | | | 6 |
| Seaton CSD | 100.0 | - | 642 | - - - - Not Allowed - - - - | | | | 6 |

ILLUSTRATION I

PROGRAM WEIGHTED SUPPORT ENTITLEMENT

STATEWIDE PROPERTY TAX REVENUE ALTERNATIVE

PLAN 3-3

| BASIC PROGRAM | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| 43.3% | 56.7% | $737 | - - - - Not Allowed - - - - | | | | $737 | $ 598 | 61.51¢ | 54.92¢ |
| 42.2 | 57.8 | 739 | - - - - Not Allowed - - - - | | | | 739 | 645 | 61.51 | 71.72 |
| 25.1 | 74.9 | 750 | - - - - Not Allowed - - - - | | | | 750 | 573 | 61.51 | 78.45 |
| 19.5 | 80.5 | 750 | - - - - Not Allowed - - - - | | | | 750 | 545 | 61.51 | 58.51 |
| 27.9 | 72.1 | 755 | - - - - Not Allowed - - - - | | | | 755 | 638 | 61.51 | 73.70 |
| 4.1 | 95.9 | 712 | - - - - Not Allowed - - - - | | | | 712 | 360 | 61.51 | 49.70 |
| 30.3 | 69.7 | 761 | - - - - Not Allowed - - - - | | | | 761 | 656 | 61.51 | 84.51 |
| 25.3 | 74.7 | 772 | - - - - Not Allowed - - - - | | | | 772 | 571 | 61.51 | 45.72 |
| 40.9 | 59.1 | 800 | - - - - Not Allowed - - - - | | | | 800 | 776 | 61.51 | 67.26 |
| 14.5 | 85.5 | 740 | - - - - Not Allowed - - - - | | | | 740 | 482 | 61.51 | 55.80 |
| 16.2 | 83.8 | 725 | - - - - Not Allowed - - - - | | | | 725 | 453 | 61.51 | 70.78 |
| 100.00 | - | 735 | - - - - Not Allowed - - - - | | | | 735 | 1,350 | 61.51 | 26.35 |
| 26.7 | 73.3 | 653 | - - - - Not Allowed - - - - | | | | 653 | 385 | 61.51 | 23.55 |
| 100.0 | - | 642 | - - - - Not Allowed - - - - | | | | 642 | 368 | 61.51 | 9.30 |

The statewide averages for this alternative are:

| | |
|---|---|
| Basic Program revenue per ADM | $ 744 |
| Maximum leeway per ADM | 74 |
| Total support per ADM | 818 |
| Maximum support per ADM | 1,157 |
| Minimum support per ADM | 688 |

Statewide Property Tax Alternative

The effect of funding a Program Weighted Support Entitlement from a statewide property tax is illustrated on the facing page (Illustration I). Again, a portion of the Basic Program entitlement is shown as the "local" percentage. This percentage is that which would be provided by the application of a state administered property tax to properties located in local districts.

The amounts of Basic Program support provided per ADM under this alternative range between $642 in Seaton CSD to $800 in Alamo Heights ISD. Since local enrichment is not allowed under this alternative, these ranges also are appropriate for total revenues per ADM.

A statewide funding average of $744 per ADM is provided. The minimum allowance throughout the State is $625 per ADM while the maximum allowance is $1,052 per ADM.

DISTRICT SIZE SUPPORT ALTERNATIVE

This distribution alternative is described on page VII-8. It provides unrestricted grants to districts with the amounts of such grants based upon district size. The results of combining this distribution alternative with the three revenue alternatives is analyzed in this portion of the report.

Preferred Revenue Alternative

Application of a financing plan formed by combining the District Size

ILLUSTRATION J

DISTRICT SIZE SUPPORT ENTITLEMENT

PREFERRED REVENUE ALTERNATIVE

PLAN 4-1

| | BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Tot |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Reve Per |
| Houston ISD | 45.0% | 55.0% | $ 670 | 100.0% | - % | $67 | 12.93¢ | $ 7 |
| Dallas ISD | 44.1 | 55.9 | 670 | 100.0 | - | 67 | 13.21 | 7 |
| Fort Worth ISD | 26.6 | 73.4 | 670 | 65.4 | 34.6 | 67 | 14.31 | 7 |
| San Antonio ISD | 20.6 | 79.4 | 670 | 50.7 | 49.3 | 67 | 14.31 | 7 |
| Austin ISD | 29.7 | 70.3 | 670 | 73.1 | 26.9 | 67 | 14.31 | 7 |
| Edgewood ISD | 4.1 | 95.9 | 670 | 10.1 | 89.9 | 67 | 14.31 | 7 |
| Midland ISD | 32.6 | 67.4 | 670 | 80.1 | 19.9 | 67 | 14.31 | 7 |
| Texarkana ISD | 25.6 | 74.4 | 720 | 63.0 | 37.0 | 72 | 14.31 | 7 |
| Alamo Heights ISD | 43.0 | 57.0 | 720 | 100.0 | - | 72 | 13.55 | 7 |
| Burleson ISD | 14.1 | 85.9 | 720 | 34.8 | 65.2 | 72 | 14.31 | 7 |
| Everman ISD | 15.4 | 84.6 | 720 | 37.9 | 62.1 | 72 | 14.31 | 7 |
| Andrews ISD | 377.0 | 15.1 | 2,823 | ** | ** | ** | ** | 2,82 |
| City View ISD | 21.4 | 78.6 | 770 | 52.7 | 47.3 | 77 | 14.31 | 84 |
| Seaton CSD | 133.2 | 14.2 | 1,134 | ** | ** | ** | ** | 1,13 |

*Statewide maximum tax rate is 58.21¢ per $100 market value.

**Leeway not permitted because district's tax yield exceeds Basic Program Entitlement plus t

ILLUSTRATION J

DISTRICT SIZE SUPPORT ENTITLEMENT

PREFERRED REVENUE ALTERNATIVE

PLAN 4-1

| BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| cal % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| .0% | 55.0% | $ 670 | 100.0% | - % | $67 | 12.93¢ | $ 737 | $ 598 | 71.14¢ | 54.92¢ |
| .1 | 55.9 | 670 | 100.0 | - | 67 | 13.21 | 737 | 645 | 71.42 | 71.72 |
| .6 | 73.4 | 670 | 65.4 | 34.6 | 67 | 14.31 | 737 | 573 | 72.52 | 78.45 |
| .6 | 79.4 | 670 | 50.7 | 49.3 | 67 | 14.31 | 737 | 545 | 72.52 | 58.51 |
| .7 | 70.3 | 670 | 73.1 | 26.9 | 67 | 14.31 | 737 | 638 | 72.52 | 73.70 |
| .1 | 95.9 | 670 | 10.1 | 89.9 | 67 | 14.31 | 737 | 360 | 72.52 | 49.70 |
| .6 | 67.4 | 670 | 80.1 | 19.9 | 67 | 14.31 | 737 | 656 | 72.52 | 84.51 |
| .6 | 74.4 | 720 | 63.0 | 37.0 | 72 | 14.31 | 792 | 571 | 72.52 | 45.72 |
| .0 | 57.0 | 720 | 100.0 | - | 72 | 13.55 | 792 | 776 | 71.76 | 67.26 |
| .1 | 85.9 | 720 | 34.8 | 65.2 | 72 | 14.31 | 792 | 482 | 72.52 | 55.80 |
| .4 | 84.6 | 720 | 37.9 | 62.1 | 72 | 14.31 | 792 | 453 | 72.52 | 70.78 |
| .0 | 15.1 | 2,823 | ** | ** | ** | ** | 2,823 | 1,350 | 58.21 | 26.35 |
| .4 | 78.6 | 770 | 52.7 | 47.3 | 77 | 14.31 | 847 | 385 | 72.52 | 23.55 |
| .2 | 14.2 | 1,134 | ** | ** | ** | ** | 1,134 | 368 | 58.21 | 9.30 |

58.21¢ per $100 market value.

istrict's tax yield exceeds Basic Program Entitlement plus the 10% allowable leeway.

ILLUSTRATION K

DISTRICT SIZE SUPPORT ENTITLEMENT

EQUALIZATION FUND REVENUE ALTERNATIVE

PLAN 4-2

| | BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenu Per AD |
| Houston ISD | 45.0% | 55.0% | $670 | 100.0% | - % | $67 | 12.93¢ | $737 |
| Dallas ISD | 44.1 | 55.9 | 670 | 100.0 | - | 67 | 13.21 | 737 |
| Fort Worth ISD | 26.6 | 73.4 | 670 | 65.4 | 34.6 | 67 | 14.31 | 737 |
| San Antonio ISD | 20.6 | 79.4 | 670 | 50.7 | 49.3 | 67 | 14.31 | 737 |
| Austin ISD | 29.7 | 70.3 | 670 | 73.1 | 26.9 | 67 | 14.31 | 737 |
| Edgewood ISD | 4.1 | 95.9 | 670 | 10.1 | 89.9 | 67 | 14.31 | 737 |
| Midland ISD | 32.6 | 67.4 | 670 | 80.1 | 19.9 | 67 | 14.31 | 737 |
| Texarkana ISD | 25.6 | 74.4 | 720 | 63.0 | 37.0 | 72 | 14.31 | 792 |
| Alamo Heights ISD | 43.0 | 57.0 | 720 | 100.0 | - | 72 | 13.55 | 792 |
| Burleson ISD | 14.1 | 85.9 | 720 | 34.8 | 65.2 | 72 | 14.31 | 792 |
| Everman ISD | 15.4 | 84.6 | 720 | 37.9 | 62.1 | 72 | 14.31 | 792 |
| Andrews ISD | 100.0 | - | 720 | 100.0 | - | 72 | 1.54 | 792 |
| City View ISD | 21.4 | 78.6 | 770 | 52.7 | 47.3 | 77 | 14.31 | 847 |
| Seaton CSD | 100.0 | - | 770 | 100.0 | - | 77 | 4.01 | 847 |

*Statewide miximum tax rate is 58.21% per $100 market value.

ILLUSTRATION K

DISTRICT SIZE SUPPORT ENTITLEMENT

EQUALIZATION FUND REVENUE ALTERNATIVE

PLAN 4-2

| BASIC PROGRAM* | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| cal % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| 0% | 55.0% | $670 | 100.0% | - % | $67 | 12.93¢ | $737 | $ 598 | 71.14¢ | 54.92¢ |
| 1 | 55.9 | 670 | 100.0 | - | 67 | 13.21 | 737 | 645 | 71.42 | 71.72 |
| 6 | 73.4 | 670 | 65.4 | 34.6 | 67 | 14.31 | 737 | 573 | 72.52 | 78.45 |
| 6 | 79.4 | 670 | 50.7 | 49.3 | 67 | 14.31 | 737 | 545 | 72.52 | 58.51 |
| 7 | 70.3 | 670 | 73.1 | 26.9 | 67 | 14.31 | 737 | 638 | 72.52 | 73.70 |
| 1 | 95.9 | 670 | 10.1 | 89.9 | 67 | 14.31 | 737 | 360 | 72.52 | 49.70 |
| 6 | 67.4 | 670 | 80.1 | 19.9 | 67 | 14.31 | 737 | 656 | 72.52 | 84.51 |
| 6 | 74.4 | 720 | 63.0 | 37.0 | 72 | 14.31 | 792 | 571 | 72.52 | 45.72 |
| 0 | 57.0 | 720 | 100.0 | - | 72 | 13.55 | 792 | 776 | 71.76 | 67.26 |
| 1 | 85.9 | 720 | 34.8 | 65.2 | 72 | 14.31 | 792 | 482 | 72.52 | 55.80 |
| 4 | 84.6 | 720 | 37.9 | 62.1 | 72 | 14.31 | 792 | 453 | 72.52 | 70.78 |
| 0 | - | 720 | 100.0 | - | 72 | 1.54 | 792 | 1,350 | 59.75 | 26.35 |
| 4 | 78.6 | 770 | 52.7 | 47.3 | 77 | 14.31 | 847 | 385 | 72.52 | 23.55 |
| 0 | - | 770 | 100.0 | - | 77 | 4.01 | 847 | 368 | 62.22 | 9.30 |

.21% per $100 market value.

Support Alternative with the Preferred Revenue Alternative is illustrated on the facing page (Illustration J).

Wide variations in the Basic Program support allowances are again evident because of the relevant property wealth of districts such as Andrews ISD and Seaton CSD. The actual range is from $670 per ADM to $2,823 per ADM. Application of the limitation provision would reduce to some extent the amount of Basic Program allowance received by both Andrews and Seaton.

Optional local enrichment is allowed under this plan and a maximum leeway tax rate of 14.31¢ per $100 of market value is utilized. This leeway tax rate when combined with a maximum Basic Program tax rate of 58.21¢ would yield a total maximum tax rate throughout the State of 72.52¢ per $100 of market value.

Statewide averages associated with this alternative are as follows:

| | |
|---|---|
| Basic Program revenue per ADM | $ 742 |
| Maximum leeway per ADM | 67 |
| Total support per ADM | 809 |
| Basic Program allowance per ADM | 703 |
| Maximum support per ADM | 53,014 |
| Minimum support per ADM | 737 |

Obviously, the maximum allowance of $53,014 would be reduced by the limitation provision.

Equalization Fund
Revenue Alternative

Elimination of per capita distributions of the Available School Fund and contribution of excess tax revenues to an equalization fund reduce the support range of this alternative when compared with the immediately preceding alternative. As illustrated on the facing page (Illustration K), this alternative provides total revenues per ADM ranging from $737 to $847 in the representative districts. This alternative was designed to provide higher

ILLUSTRATION L

DISTRICT SIZE SUPPORT ENTITLEMENT

STATEWIDE PROPERTY TAX REVENUE ALTERNATIVE

PLAN 4-3

| | BASIC PROGRAM | | | OPTIONAL LOCAL LEEWAY | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Local % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per AD |
| Houston ISD | 45.0% | 55.0% | $670 | - - - - Not Allowed - - - - | | | | $67 |
| Dallas ISD | 44.1 | 55.9 | 670 | - - - - Not Allowed - - - - | | | | 67 |
| Fort Worth ISD | 26.6 | 73.4 | 670 | - - - - Not Allowed - - - - | | | | 67 |
| San Antonio ISD | 20.6 | 79.4 | 670 | - - - - Not Allowed - - - - | | | | 67 |
| Austin ISD | 29.7 | 70.3 | 670 | - - - - Not Allowed - - - - | | | | 67 |
| Edgewood ISD | 4.1 | 95.9 | 670 | - - - - Not Allowed - - - - | | | | 67 |
| Midland ISD | 32.6 | 67.4 | 670 | - - - - Not Allowed - - - - | | | | 67 |
| Texarkana ISD | 25.6 | 74.4 | 720 | - - - - Not Allowed - - - - | | | | 72 |
| Alamo Heights ISD | 43.0 | 57.0 | 720 | - - - - Not Allowed - - - - | | | | 72 |
| Burleson ISD | 14.1 | 85.9 | 720 | - - - - Not Allowed - - - - | | | | 72 |
| Everman ISD | 15.4 | 84.6 | 720 | - - - - Not Allowed - - - - | | | | 72 |
| Andrews ISD | 100.0 | - | 720 | - - - - Not Allowed - - - - | | | | 72 |
| City View ISD | 21.4 | 78.6 | 770 | - - - - Not Allowed - - - - | | | | 77 |
| Seaton CSD | 100.0 | - | 770 | - - - - Not Allowed - - - - | | | | 77 |

ILLUSTRATION L

DISTRICT SIZE SUPPORT ENTITLEMENT

STATEWIDE PROPERTY TAX REVENUE ALTERNATIVE

PLAN 4-3

| BASIC PROGRAM | | | OPTIONAL LOCAL LEEWAY | | | | Total | 1970-71 | Total | Computed |
|---|---|---|---|---|---|---|---|---|---|---|
| cal % | State % | Revenue Per ADM | Local % | State % | Revenue Per ADM | Tax Rate | Revenue Per ADM | Revenue Per ADM | Tax Rate | 1970-71 Tax Rate |
| .0% | 55.0% | $670 | - - - - Not Allowed - - - - | | | | $670 | $ 598 | 58.21¢ | 54.92¢ |
| .1 | 55.9 | 670 | - - - - Not Allowed - - - - | | | | 670 | 645 | 58.21 | 71.72 |
| .6 | 73.4 | 670 | - - - - Not Allowed - - - - | | | | 670 | 573 | 58.21 | 78.45 |
| .6 | 79.4 | 670 | - - - - Not Allowed - - - - | | | | 670 | 545 | 58.21 | 58.51 |
| .7 | 70.3 | 670 | - - - - Not Allowed - - - - | | | | 670 | 638 | 58.21 | 73.70 |
| .1 | 95.9 | 670 | - - - - Not Allowed - - - - | | | | 670 | 360 | 58.21 | 49.70 |
| .6 | 67.4 | 670 | - - - - Not Allowed - - - - | | | | 670 | 656 | 58.21 | 84.51 |
| .6 | 74.4 | 720 | - - - - Not Allowed - - - - | | | | 720 | 571 | 58.21 | 45.72 |
| .0 | 57.0 | 720 | - - - - Not Allowed - - - - | | | | 720 | 776 | 58.21 | 67.26 |
| .1 | 85.9 | 720 | - - - - Not Allowed - - - - | | | | 720 | 482 | 58.21 | 55.80 |
| .4 | 84.6 | 720 | - - - - Not Allowed - - - - | | | | 720 | 453 | 58.21 | 70.78 |
| .0 | - | 720 | - - - - Not Allowed - - - - | | | | 720 | 1,350 | 58.21 | 26.35 |
| .4 | 78.6 | 770 | - - - - Not Allowed - - - - | | | | 770 | 385 | 58.21 | 23.55 |
| .0 | - | 770 | - - - - Not Allowed - - - - | | | | 770 | 368 | 58.21 | 9.30 |

per unit support to small districts. The larger support amounts provided to City View ISD and to Seaton CSD indicate that the objective of this distribution alternative would be met.

Tax rates required to support this finance alternative range from 59.75¢ per $100 to 72.52¢ per $100.

If we look at all districts within the State of Texas, we find the following statewide averages:

| | |
|---|---|
| Basic Program revenue per ADM | $703 |
| Maximum leeway per ADM | 70 |
| Total funding per ADM | 773 |
| Maximum support per ADM | 847 |
| Minimum support per ADM | 737 |

Statewide Property Tax Alternative

The distinguishing characteristic of this alternative again is that local enrichment is not allowed. Referring to the facing page illustration of the effects of this alternative on the representative districts, we see that all districts receive either $670, $720, or $770 per ADM. A single property tax rate of 58.12¢ per $100 is utilized to provide school support.

The statewide averages associated with this plan are $703 per ADM for funding, a maximum allowance of $770 per ADM, and a minimum allowance of $670 per ADM.

# IX - STATEWIDE COSTS OF ALTERNATIVE PLANS

An examination of the results obtained by applying the various alternative finance plans would not be complete without a look at the estimated statewide costs of each alternative. For purposes of convenience, this discussion is arranged in a manner similar to that in the immediately preceding section. Each of the four distribution alternatives is presented sequentially and the total effect of combining a single distribution alternative with each of the three revenue alternatives is illustrated. All of the estimates presented are based upon 1970-71 data.

## STRUCTURED PERSONNEL DISTRIBUTION ALTERNATIVE

The statewide costs associated with combining the Structured Personnel Distribution Alternative with each of the three revenue alternatives are discussed in the following paragraphs.

### Preferred Revenue Alternative

This combination of the Structured Personnel Distribution Alternative and the Preferred Revenue Alternative is indexed as Plan 1-1 in the detailed projections of results from applying the various alternatives to the State of Texas and its school districts. Under this alternative the following approximate statewide costs would be incurred:

| | |
|---|---|
| Maximum funds to be provided by the State | $1,179,406,000 |
| State funds provided in 1970-71 | 907,154,000 |
| Estimated increase required in state funds | 272,252,000 |
| Maximum funds to be provided by local districts | 803,814,000 |
| Local district funds provided in 1970-71 | 647,135,000 |
| Estimated increase required in local district funds | 156,679,000 |

Maximum tax rates which could be levied to provide the local funding would be approximately 53.00¢ per $100 of market value for Basic Program support and 13.01¢ per $100 of market for maximum optional local enrichment.

Additional funding from state sources is required under this plan because certain districts, by applying the maximum tax rate, generate revenues exceeding Basic Program allowances plus allowable leeway and are not required to contribute this excess to an equalization fund. There are 310 such "revenue loss districts" with 113,160 average daily members. The projected "revenue loss" from these districts is $83,290,000. Continuing the per capita distribution of Available School Fund moneys to these districts would cost the State an additional $14,122,000.

Equalization Fund
Revenue Alternative

A combination of the Structured Personnel Distribution Alternative and the Equalization Fund Revenue Alternative is indexed as Plan 1-2 in the projections of results obtained from various alternative finance plans. This particular combination results in the following approximate statewide costs:

| | |
|---|---|
| Maximum funds to be provided by the State | $1,081,994,000 |
| State funds provided in 1970-71 | 907,154,000 |
| Estimated increase required in state funds | 174,840,000 |
| | |
| Maximum funds to be provided by local districts | 813,067,000 |
| Local district funds provided in 1970-71 | 647,135,000 |
| Estimated increase required in local district funds | 165,932,000 |

The tax rates for local funding under this combination of alternatives would be the same as those under the immediately preceding combination of alternatives.

Statewide Property
Tax Alternative

Plan 1-3 in the projections of results refers to a combination of the Structured Personnel Distribution Alternative and the Statewide Property Tax Revenue Alternative. Such a combination of alternatives would require approximate overall funding as follows:

| | |
|---|---|
| Maximum funds to be provided from current state sources | $1,035,482,000 |
| Funds provided from current state sources in 1970-71 | 907,154,000 |
| Estimated increase required from current state sources | 128,328,000 |
| Maximum funds to be provided from property taxes | 690,172,000 |
| Funds provided from property taxes in 1970-71 | 647,135,000 |
| Estimated increase required from property taxes | 43,037,000 |

This combination of alternatives would require only a statewide property tax assessed at a rate not to exceed 53.00¢ per $100 of market value. No local enrichment is provided under this alternative.

PREFERRED DISTRIBUTION PLAN

As indicated previously, the Senate Committee expressed a preference for a distribution plan which includes a variable personnel component. Details of this distribution alternative are discussed on page VII-2. This portion of the report is devoted to presenting the statewide costs required by combining the Preferred Distribution Plan with each of the three revenue alternatives.

Preferred Revenue Alternative

The combination of the Preferred Distribution Plan and the Preferred Revenue Alternative is indexed as Plan 2-1 in the detailed projections. The statewide costs resulting from this combination are estimated to be:

| | |
|---|---|
| Maximum funds to be provided by the State | $1,216,379,000 |
| State funds provided in 1970-71 | 907,154,000 |
| Estimated increase required in state funds | 309,225,000 |
| Maximum funds to be provided by local districts | 829,876,000 |
| Local district funds provided in 1970-71 | 647,135,000 |
| Estimated increase required in local district funds | 182,741,000 |

To provide the local funding required, a maximum statewide property tax rate of 54.68¢ per $100 of market value would be established for Basic Program support and an optional tax not to exceed 13.43¢ per $100 of market value would be authorized to provide for local enrichment.

Under this plan, additional state funding is required to compensate for revenue losses in those districts where the tax on market value of property yields revenues exceeding basic support allowances plus allowable leeway. There are 314 such "revenue loss districts" with 114,802 average daily members. The estimated "revenue loss" from these districts is $86,34[illegible]000. The per capita distribution of Available School Fund moneys to these districts would require the State to contribute approximately $13,667,000 additional to public school support.

Equalization Fund
Revenue Alternative

In the detailed projections of results, the combination of the Preferred Distribution Plan and the Equalization Fund Revenue Alternative is indexed as Plan 2-2. Estimated statewide costs under this combination of alternatives would be as follows:

| | |
|---|---|
| Maximum funds to be provided by the State | $1,116,371,000 |
| State funds provided in 1970-71 | 907,154,000 |
| Estimated increase required in state funds | 209,217,000 |
| Maximum funds to be provided by local districts | 839,176,000 |
| Local district funds provided in 1970-71 | 647,135,000 |
| Estimated increase required in local district funds | 192,041,000 |

The tax rates required to provide local funding as indicated would be the same as those in the immediately preceding combination of alternatives.

Statewide Property
Tax Alternative

The combination of the Preferred Distribution Plan and the Statewide Property Tax Alternative is indexed as Plan 2-3 in the detailed projections

of results. Under these alternatives the following approximate statewide costs would be incurred:

| | |
|---|---|
| Maximum funds to be provided from current state sources | $1,068,476,000 |
| Funds provided from current state sources in 1970-71 | 907,154,000 |
| Estimated increase required from current state sources | 161,322,000 |
| Maximum funds to be provided from property taxes | 712,164,000 |
| Funds provided from property taxes in 1970-71 | 647,135,000 |
| Estimated increase required from property taxes | 65,029,000 |

Use of this combination of alternatives to provide public school funding in Texas would require a statewide property tax of 54.68¢ per $100 of market value. There are no provisions for a leeway tax.

PROGRAM WEIGHTED
SUPPORT ALTERNATIVE

This alternative distribution plan generally provides for a system of unrestricted support grants to local school districts. Funding requirements of the State and of local school districts which would be imposed by combining this distribution plan with the three revenue alternatives are discussed in this portion of the report.

Preferred Revenue Alternative

The combination of the Program Weighted Support Alternative and the Preferred Revenue Alternative is indexed as Plan 3-1 in the detailed projections of results obtained by applying various alternatives. Such a finance plan would require the following support levels:

| | |
|---|---|
| Maximum funds to be provided by the State | $1,375,960,000 |
| State funds provided in 1970-71 | 907,154,000 |
| Estimated increase required in state funds | 468,806,000 |
| Maximum funds to be provided by local districts | 932,128,000 |
| Local district funds provided in 1970-71 | 647,135,000 |
| Estimated increase required in local district funds | 284,993,000 |

This combination of a revenue plan and support plan would require a statewide maximum local property tax rate of 61.51¢ per $100 of market value. It would also require an optional leeway tax of not to exceed 15.14¢ per $100 of market value to provide for local enrichment.

There are 346 local districts with 123,846 average daily members where the tax on the market value of property would yield revenues exceeding Basic Program allowances plus allowable leeway under this finance plan. Additional state funding which would be required to compensate for "revenue losses" in these districts would amount to an estimated $103,444,000. Continuation of the per capita distribution from the Available School Fund to these districts would cost the State approximately an additional $15,376,000.

Equalization Fund
Revenue Alternative

The finance plan which is indexed as Plan 3-2 in the detailed projections is a combination of the Program Weighted Support Alternative with the Equalization Fund Revenue Alternative. Estimates of the approximate statewide costs associated with this combination of alternatives are as follows:

| | |
|---|---|
| Maximum funds to be provided by the State | $1,257,140,000 |
| State funds provided in 1970-71 | 907,154,000 |
| Estimated increase required in state funds | 349,986,000 |
| Maximum funds to be provided by local districts | 942,959,000 |
| Local district funds provided in 1970-71 | 647,135,000 |
| Estimated increase required in local district funds | 295,824,000 |

The maximum tax rates for local funding would be the same as those set out for the immediately preceding alternative.

Statewide Property
Tax Alternative

A combination of the Program Weighted Support Alternative and the Statewide Property Tax Alternative is indexed as Plan 3-3 in the detailed

projections of results from applying the various alternatives. Funds which would need to be provided from the current state revenue sources and from the imposition of a new state administered property tax to support this combination of alternatives are estimated to be as follows:

| | |
|---|---|
| Funds to be provided from current state sources | $1,201,880,000 |
| Funds provided in 1970-71 from current state sources | 907,154,000 |
| Estimated increase required from current state sources | 294,726,000 |
| Maximum funds to be provided from property taxes | 801,080,000 |
| Funds provided from property taxes in 1970-71 | 647,135,000 |
| Estimated increase required from property taxes | 153,945,000 |

A finance plan formed by combining this distribution alternative and this revenue alternative would require the imposition of a state administered property tax of 61.51¢ per $100 of market value. No provisions are made for an optional leeway tax.

DISTRICT SIZE
SUPPORT ALTERNATIVE

The final distribution alternative provides unrestricted grants to districts with the amount of such grants based upon district size. It has been combined with all of the revenue alternatives considered by the Senate Committee and the estimated statewide costs derived from these combinations are presented here.

Preferred Revenue Alternative

We have indexed the combination of the District Size Support Alternative and the Preferred Revenue Alternative as Plan 4-1 in the projections of results of various finance alternatives. Statewide costs associated with a finance plan formed by a combination of these two alternatives are estimated to be as follows:

| | |
|---|---|
| Maximum funds to be provided by the State | $1,291,459,000 |
| State funds provided in 1970-71 | 907,154,000 |
| Estimated increase required in state funds | 384,305,000 |
| | |
| Maximum funds to be provided by local districts | 883,624,000 |
| Local district funds provided in 1970-71 | 647,135,000 |
| Estimated increase required in local district funds | 236,489,000 |

Maximum tax rates to provide local funding are estimated to be 58.21¢ per $100 of market value for Basic Program support and 14.31¢ per $100 of market value for allowed local enrichment. Estimated additional state funding in the amount of $89,569,000 would be required to compensate for "revenue losses" in those districts where the tax on the market value of property yields revenues exceeding the Basic Program allowances plus allowed enrichment. There are estimated to be 311 such districts with 113,491 average daily members under this financing alternative. The amount of additional state funding required by continuing the per capita distribution of the Available School Fund to these 311 districts is estimated to be $13,385,000.

Equalization Fund
Revenue Alternative

A combination of the District Size Support Alternative and the Equalization Fund Revenue Alternative is indexed as Plan 4-2 in the detailed projections. This combination of alternatives is estimated to produce the following statewide costs:

| | |
|---|---|
| Maximum funds to be provided by the State | $1,188,506,000 |
| State funds provided in 1970-71 | 907,154,000 |
| Estimated increase required in state funds | 281,352,000 |
| | |
| Maximum funds to be provided by local districts | 893,249,000 |
| Local district funds provided in 1970-71 | 647,135,000 |
| Estimated increase required in local district funds | 246,114,000 |

The maximum tax rates to support this financing plan are the same as in the immediately preceding alternative.

Statewide Property Tax Alternative

Indexed as Plan 4-3 in the detailed projections is the combination of the District Size Support Alternative and the Statewide Property Tax Alternative. Under this combination of alternatives, the following approximate statewide costs are expected to be incurred:

| | |
|---|---|
| Funds to be provided from current state sources | $1,137,323,000 |
| Funds provided in 1970-71 from current state sources | 907,154,000 |
| Estimated increase required from current state sources | 230,169,000 |
| Maximum funds to be provided from property taxes | 758,051,000 |
| Funds provided from property taxes in 1970-71 | 647,135,000 |
| Estimated increase required from property taxes | 110,916,000 |

This alternative requires the assessment of a state administered property tax in the amount of 58.21¢ per $100 of market value. Again, no provisions are made for local leeway under this alternative.

## X - POSSIBLE REVENUE SOURCES

Any Texas school finance plan that equalizes expenditures among the State's school districts at a $600 to $700 per student member level may be expected to increase total education costs by $200 to $400 million annually. Exact fund requirements will vary, of course, with the plan that is adopted and the extent to which enrichment prerogatives are used by local districts. Special provisions such as "hold-harmless" clauses (allowances granted to those districts with higher expenditure levels to continue spending at their historical rates), special tax considerations for districts with high concentrations of property wealth, and the continued distribution of the Available School Fund on a per capita basis will add to total education costs. Variations in the State/local sharing ratio, while not altering total revenue requirements, will determine to some extent the tax sources to be used. A higher state share will place greater reliance on general taxes, while a higher local share will place greater reliance on the ad valorem tax.

In the succeeding paragraphs, we have accumulated information on revenues provided by several major taxes that presently exist or that have been considered by past legislatures. This information is presented to provide information about possible tax sources which might provide funds required for upward equalization of school district revenues.

### AD VALOREM TAXES

Ad valorem taxes provide more revenues than any other tax in the State. They currently yield about $1.4 billion annually and furnish major support to counties, municipalities, school districts, and other local governmental units. Through a State Constitutional Amendment, effective in 1968, state ad valorem taxes will be reduced from 47¢ per $100 valuation to 10¢ per $100

valuation by 1977. In essence, ad valorem taxes are now the domain of the 3,300 local government units.

The ad valorem tax has many critics. Major criticisms are summarized below:

1. Measurement. The ad valorem tax is a tax on value, generally applied to property. The determination of value is at best a subjective determination made by assessors. No objective method exists to set the base upon which the tax is calculated.

2. Property taxed. Statewide disparities occur in interpreting the definition of "property". In some areas, property such as an automobile or personal belongings is taxed, while in other areas the same property is untaxed. Between taxing authorities, taxes are not applied to the same "property".

3. Collection. An estimated $1 billion in property taxes is uncollected. Many assessors feel that the tax has to be paid when property changes hands and since all property eventually changes hands the tax will be collected. Other reasons, such as antiquated tax laws, complexities of tax suits, lack of personnel, and low penalty and interest charges to delinquents are cited as contributors to the collection problem.

4. Regressive nature. Many economists view the ad valorem tax as a regressive tax. The burden of the tax falls more heavily upon those with low or fixed incomes. A recent State Constitutional Amendment has allowed a local option $3,000 exclusion on property assessed values to persons over 65 years of age. This alleviates some of the criticism, but erodes the tax base of many local government units. No specific action has been taken to ease the tax burden of low income persons.

Despite these criticisms, which are significant, the fact remains that ad valorem taxes generate revenues that are the mainstay of local government. Replacement of a $1.4 billion tax with another tax or a combination

of taxes appears politically unrealistic. Reform of the present system to provide greater statewide equity, while politically distasteful, now seems necessary.

Once reform has occurred, the State may look again to ad valorem taxes as a source of additional revenue. Based on 1970-71 data, the 10¢ per $100 of assessed valuation state ad valorem tax (earmarked for college buildings) that will survive past 1977 would have generated approximately $49,839,000 (assessed value 1970-71 of $49,839,268,000 X .10/$100). If applied to the estimated market value of property in the State the same tax would generate $130,243,609 (estimated market value 1970-71 of $130,243,609,000 X .10/$100). The additional $80 million or 6.1¢ per $100 market value could be shifted to general funds and be made available for other state programs. If the state chose to use the ad valorem tax, each 10¢ per $100 levy on the market value of property could be expected to generate about $130 million in revenues.

SALES TAXES

The sales tax is a levy upon all persons who purchase items at retail with certain kinds of food, drugs, and services exempted from taxation. The tax is capable of generating large revenues (a 4% levy currently yields in excess of $810 million annually). Generally speaking, the sales tax is:

1. Easily measured. Merchants and taxpayers can easily measure the tax due based on prices paid at the time of sale.

2. Regressive. Persons with low incomes may be expected to pay a higher portion of their income in tax than persons with higher incomes.

3. Relatively easily administered. Collection of the tax depends on reports filed by merchants who collect the tax. Most reports are filed. Business records may be audited to verify the accuracy of reports. Delinquencies and failure to pay are probably significant administrative problems in terms of time and manpower requirements, but probably insignificant in terms of revenue losses when compared to revenues generated.

4. An existing tax. Sales tax administrative machinery is in operation. The tax has been used for several years and taxpayers and legislators have passed the "new-tax threshold."

Based on current collections, each 1% addition to the sales tax rate might be expected to yield approximately $202 million per year. Of course, as retail sales increase as a result of additional purchasing and inflation, yields from a sales tax will also increase.

Related to the sales tax is a 4% levy on automobile sales. Each additional 1% added to the current tax is estimated to yield about $39 million.

According to the Texas Research League, the inclusion of groceries in the 4% general sales tax levy would add another $20 million (1/4 of 1% increase in sales tax yield for each 1% of tax levied) to State revenues. For each 1% added above 4%, $5 million in revenues might be expected. A special report to the Texas Senate in 1971, prepared by Senators Schwartz and Mauzy, indicates $80 million could be generated by extending the coverage of the sales tax to service items such as barber and beauty shop service, laundry and dry cleaning, automobile repairs, telephone and telegraph service, and advertising services.

INCOME TAXES

Income taxes on individuals and corporations are considered by many to be the last untapped major source of tax revenue available to Texas. A

corporate income tax or a tax on corporate profits has received more legislative attention in recent sessions than has the individual income tax. As a practical matter, corporate income taxes would yield considerably less than individual income taxes. Texas Research League estimates place corporate profits tax yields at $45 million per 1% levy and individual income tax yields at $260 million with a $1,000 personal exemption. In 1971, Professor Daniel C. Morgan, Jr., of the University of Texas Economics Department estimated a 1% corporate profits tax would yield between $42 and $50 million per year. He also estimated a 1% personal income tax on Federal Adjusted Gross Income (AGI) minus Federal exemptions but not Federal deductions would produce $200 million a year. Other modifications to AGI and a $1000 personal exemption could have increased the yield to $210 million.

From this discussion, it may be determined that corporate income taxes could be used as a supplementary source of state funds. Major increases in state fund requirements may call for the imposition of an individual income tax. Replacement of ad valorem taxes with a personal income tax would seem to require a 6% to 8% income tax levy.

OIL AND NATURAL GAS
SEVERANCE TAXES

Oil and gas are taxed at 4.6% and 7.5% of market value, respectively, when extracted or severed from Texas land or controlled offshore holdings. Each 1% of the taxes generates $41 million for oil and $15 million for gas. Increases in these rates could be expected to provide proportionate increases in revenues. In considering this tax, it should be noted that some prominent geologists have stated that current oil and gas reserves may last only about 8 years at the present rate of consumption. While new reserves are being discovered, the long range benefits from these taxes may diminish.

MOTOR FUEL TAXES

Motor fuel taxes are 5¢ a gallon and currently provide $347 million. One fourth of these taxes are dedicated to the Available School Fund while most of the balance is used for road construction throughout the State. It may be estimated that each 1¢ increase in motor fuel taxes could provide another $69 million in revenues. Increasing gasoline consumption may accelerate this tax yield in the current year, but ecological restraints and petroleum shortages in the near future may reduce yields in subsequent years.

CIGARETTE, BEER, AND LIQUOR TAXES

Cigarette taxes provided an estimated $223 million in 1972, while beer taxes and liquor taxes produced $40 million and $27 million respectively. Tax rates are as follows:

- Cigarettes - 18.5¢ per pack
- Beer - $5.00 per barrel and 16.5¢ per gallon of malt liquor.
- Liquor - $2.00 per gallon of alcoholic liquors
  - 17¢ per gallon of venous liquors less than 14% alcohol
  - 34¢ per gallon of venous liquors greater than 14% alcohol
  - 10% tax on gross receipts of alcoholic beverage permit holders

An increase of 1¢ a pack in cigarette taxes would provide an estimated $12 million. A 10% increase in beer taxes (50¢ a barrel for beer and 1.5¢ per gallon of malt liquor) could add as much as $4 million to state revenues. Each 10% increase in liquor taxes (20¢ per gallon of alcoholic beverages, 2¢ a gallon on various liquors, and a 1% addition to the alcoholic beverage tax) would yield an estimated $3 million.

SUMMARY

In this section we have listed sources of revenue which the Legislature may wish to consider. This section is intended to be informative in nature

and we do not recommend the use of any particular tax enumerated. The estimates set forth herein are based on reports of other organizations or on current collection estimates prepared by the State Comptroller of Public Accounts. While we consider the sources of these estimates to be appropriate, we cannot and do not guarantee that such yields will be realized since the tax yields discussed are subject to many variables. These data have been accumulated for planning purposes only.

Exhibit A

Please Return
By August 18, 1972

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

SCHOOL FINANCE QUESTIONNAIRE

QUESTIONS RELATING TO
DISTRIBUTION OF FUNDS

Please respond to questions 1 through 9 by circling the alphabetic character in front of the response which most nearly reflects your opinion.

1. What is the desirable relationship of State and local funds for financing public school current operating costs (exclusive of Federal funding and land, building and equipment funding)? Actual practice indicates that State funds provide approximately 48%, county and local funds provide approximately 41%, and Federal funds account for approximately 11%.

| | State Share | Local Share |
|---|---|---|
| a. | 100% | 0% |
| b. | 90% | 10% |
| c. | 80% | 20% |
| d. | 70% | 30% |
| e. | 60% | 40% |
| f. | 50% | 50% |
| g. | 40% | 60% |
| h. | 30% | 70% |
| i. | 20% | 80% |
| j. | 10% | 90% |
| k. | 0% | 100% |

2. Which of the following methods of financing public school education do you favor?

a. Retain current Foundation School Program without modification.

b. Revise current Foundation School Program procedure for assigning local district cost shares (local fund assignment) while retaining other facets of the Program.

c. Rework specific components or categories of expenditure of the Foundation School Program, but retain the concept.

d. Full State funding with distribution based upon an equal amount per student.

e. Equalize "per student expenditures" in some manner other than use of the Foundation School Program concept or full State funding.



continued

3. Allocations of State funds to local school districts should:

   a. Be related to specific program purposes or categories of expenditures, such as teacher salaries, transportation, and operations and maintenance.

   b. Provide an unrestricted grant to be used as determined by individual districts.

   c. Provide an unrestricted grant for general support of the districts, but special grants for certain program purposes, such as special education and vocational education.

4. To provide funding to local districts, which of the following general concepts do you prefer?

   a. Power equalizing - Each district selects a tax rate to apply to the market value of its property. The State guarantees a level of return for each tax rate. All districts taxing at a given tax rate receive equal tax yields. Local support is generated by an ad valorem tax on market values. State funds or equalization contributions from wealthier districts provide non-local support.

   b. Percentage equalizing - Each district determines its own budget and then supports that budget in the same proportion that its wealth per student (market value of property within the district per student) bears to the wealth per student of the State as a whole. Local support is generated by an ad valorem tax on market values. State funds or equalization contributions from wealthier districts provide non-local support.

   c. Block grant - State provides each district with a fixed number of dollars per student.

   d. Weighted block grant - State provides each district with a fixed number of dollars per basic student program (i.e., elementary education). Students in other than basic programs (i.e., special education, vocational education) are funded at a weighted rate that reflects differences in program operating costs.

   e. Foundation Program - Entitlement to funding is based on specific funding levels for certain categories of expenditures. The State and local school districts share the costs of these program areas (categories of expenditure) in a predetermined ratio.

   f. Other (Please describe):_____

_____

_____

_____

_____

_____

_____



continued

5. Which of the following student data should be used as the basic measure for determining entitlement to public school funding? The current basis is average daily attendance.

a. Enrollment - The number of children who are eligible to attend public free school and who register to attend as determined on a given day such as the third or tenth class day.

b. Peak enrollment - The highest enrollment experienced by a school or district during its operating year.

c. Average daily membership - Total aggregate days of enrollment divided by total days taught.

d. Average daily attendance - Total aggregate days of attendance divided by the total days taught.

6. If local enrichment to a basic public education finance plan is to be provided, which of the following would you prefer?

a. Allow optional district ad valorem taxes to provide an additional 5% revenue above the basic plan.

b. Allow optional district ad valorem taxes to provide an additional 10% revenue above the basic plan.

c. Allow optional district ad valorem taxes within limits but equalize yield. For example, all districts taxing at the same rate per $100 of value would receive the same "per student" yield. Equalization of yield would be administered by providing for remittance to the State where yields exceed the guarantee and by grants from the State where yields do not provide the guarantee.

d. Other (Please describe): _____

_____

_____

_____

7. Should school districts with comparatively small enrollments be encouraged to consolidate? _____ If answer to this question is "Yes," how should these districts be encouraged?

a. Provide incentive payments for a limited number of years after consolidation.

b. Fund smaller districts at the same "per pupil" level as larger districts.

c. Legislative action imposing consolidation.

d. Other (Please describe): _____

_____

_____

_____

_____



continued

8. The Foundation School Program provides reimbursement for transporting regular students who live two or more miles from the school they attend. In the future, transportation should be provided for elementary and secondary school students:

a. Who live 1/2 mile or more from the school they attend.

b. Who live 1 mile or more from the school they attend.

c. Who live 1-1/2 miles or more from the school they attend.

d. Who live 2 miles or more from the school they attend.

e. Regardless of the distance they live from school.

f. In accordance with policies adopted by the State Board of Education.

g. In accordance with policies adopted by local district governing boards.

h. Other (Please describe): _____

_____

_____

_____

_____

9. Which of the following should be used to provide for capital requirements, such as land purchases, building construction and permanent fixture acquisition?

a. Funds made available to districts as a part of a basic financing plan.

b. Local tax levies, specifically earmarked for capital outlays, in addition to taxes levied under a basic financing plan.

c. Combination of local and State funds that supplement the basic financing plan.

d. Other (Please describe): _____

_____

_____

_____

_____

_____

continued

10. Indicate your preferred method of allocating State funds to local school districts for the following education program categories by placing an "x" in the appropriate column. (Page 6 has been provided for remarks related to the funding of categories listed below.)

| Program Categories | Special Grants for This Purpose Based Upon District Need | Part of Basic Public School Support Formula | Should Not Be Supported by State Funding |
|---|---|---|---|
| Administrative personnel | | | |
| Teaching personnel | | | |
| Clerical, custodial, maintenance and other personnel | | | |
| Deaf, hard of hearing | | | |
| Blind | | | |
| Mentally retarded | | | |
| Physically handicapped | | | |
| Emotionally disturbed | | | |
| Hyperkinetic | | | |
| Multi-handicapped | | | |
| Speech handicapped | | | |
| Pregnant students | | | |
| Slow learners | | | |
| Gifted students | | | |
| Disadvantages (family income below subsistence level | | | |
| Non-English speaking | | | |
| Pre-kindergarten | | | |
| Kindergarten | | | |
| Adult education | | | |
| Adult handicapped | | | |
| Vocational education | | | |
| Driver training | | | |
| Educational T.V. | | | |
| Research | | | |
| Summer school enrichment programs | | | |
| Summer school remedial programs | | | |
| Transportation - regular | | | |
| Transportation - special education | | | |
| Facility maintenance and operations costs | | | |
| Capital construction costs | | | |
| Extra-curricular activities | | | |

continued

Remarks related to question #10: _____



continued

11. The following factors need to be considered in developing a revised plan (formula) for allocating State funds to local school districts. Rate the significance which you attach to each factor by placing an "x" in the column that represents your views.

| Plan Considerations | Essential | Desirable | Unnecessary |
|---|---|---|---|
| a. Allowances for regional cost differences | | | |
| b. Phased implementation of a new finance plan | | | |
| c. Allowances for districts located in municipal areas | | | |
| d. Ease of administering plan | | | |
| e. Recognition of differences in program operating costs (i.e., vocational education, special education, elementary education) | | | |
| f. Problems faced by districts with declining enrollments | | | |
| g. Problems faced by districts with rapidly increasing enrollments | | | |
| h. Statutory minimum compensation schedules for professional employees | | | |
| i. Statutory maximum compensation schedules for professional employees | | | |
| j. Use of staffing formulas to calculate district funding entitlement | | | |
| k. Use of inflation factors to automatically adjust formula allowances | | | |
| l. Inner city school problems | | | |
| m. Sparse area school problems | | | |
| n. High proportion of students from non-English speaking families | | | |
| o. High proportion of students from low income families | | | |
| p. Consolidation of school districts with low enrollments | | | |

* * *



continued

QUESTIONS RELATING TO GENERATION OF REVENUES

| 12. Do you favor: | Circle One for Each Question | |
|---|---|---|
| a. State collection of ad valorem taxes? | Yes | No |
| b. State supervision of local ad valorem tax collections? | Yes | No |
| c. State supervision of property appraisal? | Yes | No |
| d. Regional collection and administration of ad valorem taxation? | Yes | No |

e. Other (Please describe): _____

_____

_____

_____

_____

13. Listed below are several sources which might be used to provide additional revenues for public school education, if an additional amount is needed. Circle the alphabetic character in front of the two alternatives which you prefer to use if additional revenue is needed.

a. Sales tax increase

b. Individual income tax

c. Corporation income tax

d. Luxury tax

e. Production and regulation tax increase

f. Value added tax

g. Liquor and beer tax increase

h. Pari-mutuel betting tax

i. Cigarette tax increase

j. Intangible property tax

k. Real property tax (State)

l. Real property tax (local)

m. Personal property tax

n. Automobile tax (annual property tax)

o. Other: _____

_____

_____

* * *



continued

QUESTIONS RELATING
TO TEACHERS

14. Which of the following factors should be used in determining teacher salaries. Circle the alphabetic character in front of all factors which you feel should be used.

a. Years of experience

b. Amount of college training

c. Quality of individual work

d. National teacher salary averages

e. Grade taught

f. Subjects taught

g. Geographic location of assignment

h. Statutory minimum compensation schedule

i. Statutory maximum compensation schedule

15. The Foundation School Program is generally based upon a pupil-teacher ratio of 25-to 1. Should this basic ratio:

a. Remain the same?

b. Be lowered (fewer students per teacher)?

c. Be increased (more students per teacher)?

Circle the alphabetic character in front of the response which reflects your opinion.

16. Should teacher salaries be adjusted automatically each year to reflect changes in:

a. National teacher salary averages?

b. Statewide cost-of-living increases?

c. Statewide average salaries for similar professions?

Circle the alphabetic character in front of those which are appropriate, in your opinion.

******

Please be sure you have answered all questions. Thank you for your assistance. To assure consideration of your thoughts and suggestions, please forward this questionnaire to the Committee in the envelope provided.

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Questionnaires Mailed | 345 | | 45 | | 123 | | 123 | | 81 | | 18 | | 25 | |
| Questionnaires Returned | 48 | | 16 | | 61 | | 37 | | 45 | | 6 | | 13 | |
| Percent Returned of Mailing | 14% | | 36% | | 50% | | 30% | | 56% | | 33% | | 52% | |
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 1. State/local Funding Mix: | | | | | | | | | | | | | | |
| a. 100%/0% | 10 | 21% | 5 | 31% | 18 | 30% | 9 | 24% | 6 | 13% | 1 | 16% | 1 | 8% |
| b. 90%/10% | 4 | 8% | 1 | 6% | 8 | 13% | 10 | 27% | 9 | 20% | 1 | 17% | 2 | 15% |
| c. 80%/20% | 12 | 25% | 2 | 13% | 15 | 25% | 10 | 26% | 16 | 35% | 1 | 17% | 7 | 54% |
| d. 70%/30% | 6 | 12% | 1 | 6% | 7 | 11% | 5 | 14% | 7 | 16% | - | - | 2 | 15% |
| e. 60%/40% | 6 | 13% | 4 | 25% | 4 | 6% | 1 | 3% | 3 | 7% | 3 | 50% | 1 | 8% |
| f. 50%/50% | 7 | 15% | 3 | 19% | 8 | 13% | 1 | 3% | 4 | 9% | - | - | - | - |
| g. 40%/60% | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - |
| h. 30%/70% | - | - | - | - | - | - | 1 | 3% | - | - | - | - | - | - |
| X1. No answer | 2 | 4% | - | - | 1 | 2% | - | - | - | - | - | - | - | - |
| 2. Select Finance Method: | | | | | | | | | | | | | | |
| a. Retain current F.S.P. | 3 | 6% | - | - | 7 | 11% | 5 | 14% | 6 | 13% | - | - | - | - |
| b. Revise F.S.P. local fund assignment | 7 | 15% | 4 | 25% | 22 | 36% | 8 | 22% | 11 | 25% | 1 | 17% | 6 | 46% |
| c. Rework F.S.P. components | 16 | 33% | 5 | 31% | 15 | 25% | 10 | 27% | 16 | 36% | 3 | 50% | 4 | 31% |
| d. Full State funding, equal $ per pupil | 12 | 25% | 4 | 25% | 15 | 25% | 10 | 26% | 4 | 9% | 1 | 17% | 2 | 15% |
| e. Equalize in some manner other then F.S.P. or full State funding | 6 | 13% | 3 | 19% | 2 | 3% | 4 | 11% | 6 | 13% | 1 | 16% | 1 | 8% |
| X1. Combination of b & c | - | - | - | - | - | - | - | - | 2 | 4% | - | - | - | - |
| X2. No answer | 4 | 8% | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Allocation of State funds should: | | | | | | | | | | | | | | |
| a. Be related to programs or categories | 17 | 35% | 9 | 56% | 21 | 34% | 12 | 32% | 28 | 62% | 1 | 17% | 6 | 46% |
| b. Provide unrestricted grant | 5 | 11% | - | - | 15 | 25% | 9 | 24% | 1 | 2% | - | - | 3 | 23% |
| c. Provide unrestricted grant for general support, but special grants for certain programs | 22 | 46% | 6 | 38% | 24 | 39% | 15 | 41% | 16 | 36% | 5 | 83% | 4 | 31% |
| X1. Combination of a & c | 4 | 8% | 1 | 6% | - | - | - | - | - | - | - | - | - | - |
| X2. No answer | - | - | - | - | 1 | 2% | 1 | 3% | - | - | - | - | - | - |
| 4. The preferred concept to use in funding local districts is: | | | | | | | | | | | | | | |
| a. Power equalizing | 4 | 8% | 2 | 12% | 10 | 16% | 9 | 24% | 3 | 7% | 2 | 33% | - | - |
| b. Percentage equalizing | 7 | 15% | 2 | 13% | 12 | 20% | 4 | 11% | 7 | 16% | - | - | 4 | 31% |
| c. Block grant | 12 | 25% | 4 | 25% | 6 | 10% | 10 | 27% | 2 | 4% | - | - | 1 | 8% |
| d. Weighted block grant | 13 | 27% | 4 | 25% | 13 | 21% | 7 | 19% | 12 | 26% | 3 | 50% | 2 | 15% |
| e. Foundation program | 6 | 13% | 3 | 19% | 18 | 30% | 5 | 13% | 21 | 47% | 1 | 17% | 5 | 38% |
| X1. Combination of a & b | - | - | - | - | - | - | 1 | 3% | - | - | - | - | - | - |
| X2. Combination of a & d | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X3. Combination of a, b, & c | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - |
| X4. Combination of d & e | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X5. Percentage equalizing with 100% State support for special ed, 100% local for capital, and 100% local for salaries above minimum | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 8% |
| X6. Governor's committee recommendation | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - |
| X7. Base State share on what is needed to insure a district provides for educational requirements | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - |
| X8. No answer | 3 | 6% | 1 | 6% | 2 | 3% | 1 | 3% | - | - | - | - | - | - |

Exhibit B

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 123 | | 81 | | 18 | | 25 | | 34 | | 51 | | 52 | | 33 | | 18 | | 948 | |
| 37 | | 45 | | 6 | | 13 | | 16 | | 21 | | 31 | | 6 | | 10 | | 310 | |
| 30% | | 56% | | 33% | | 52% | | 47% | | 41% | | 61% | | 18% | | 56% | | 33% | |
| No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 9 | 24% | 6 | 13% | 1 | 16% | 1 | 8% | 3 | 19% | 1 | 5% | 4 | 13% | 2 | 33% | - | - | 60 | 19% |
| 10 | 27% | 9 | 20% | 1 | 17% | 2 | 15% | 5 | 31% | 2 | 9% | 2 | 6% | 1 | 16% | 2 | 20% | 47 | 15% |
| 10 | 26% | 16 | 35% | 1 | 17% | 7 | 54% | 4 | 25% | 10 | 48% | 14 | 45% | 1 | 17% | 4 | 40% | 96 | 31% |
| 5 | 14% | 7 | 16% | - | - | 2 | 15% | - | - | 1 | 5% | 4 | 13% | 1 | 17% | 1 | 10% | 35 | 11% |
| 1 | 3% | 3 | 7% | 3 | 50% | 1 | 8% | 2 | 12% | 3 | 14% | 3 | 10% | - | - | 2 | 20% | 32 | 10% |
| 1 | 3% | 4 | 9% | - | - | - | - | 2 | 13% | 3 | 14% | 3 | 10% | - | - | 1 | 10% | 32 | 10% |
| - | - | - | - | - | - | - | - | - | - | 1 | 5% | - | - | - | - | - | - | 2 | 1% |
| 1 | 3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 1% |
| - | - | - | - | - | - | - | - | - | - | - | - | 1 | 3% | 1 | 17% | - | - | 5 | 2% |
| 5 | 14% | 6 | 13% | - | - | - | - | - | - | 1 | 5% | 2 | 7% | - | - | - | - | 24 | 8% |
| 8 | 22% | 11 | 25% | 1 | 17% | 6 | 46% | 4 | 25% | 10 | 48% | 11 | 35% | 2 | 33% | 4 | 40% | 90 | 29% |
| 10 | 27% | 16 | 36% | 3 | 50% | 4 | 31% | 4 | 25% | 6 | 28% | 11 | 35% | 2 | 33% | 3 | 30% | 95 | 31% |
| 10 | 26% | 4 | 9% | 1 | 17% | 2 | 15% | 2 | 13% | 4 | 19% | 4 | 13% | 2 | 34% | - | - | 60 | 19% |
| 4 | 11% | 6 | 13% | 1 | 16% | 1 | 8% | 5 | 31% | - | - | 2 | 7% | - | - | 1 | 10% | 31 | 10% |
| - | - | 2 | 4% | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 10% | 3 | 1% |
| - | - | - | - | - | - | - | - | 1 | 6% | - | - | 1 | 3% | - | - | 1 | 10% | 7 | 2% |
| 12 | 32% | 28 | 62% | 1 | 17% | 6 | 46% | 7 | 44% | 9 | 43% | 9 | 29% | 2 | 33% | 4 | 40% | 125 | 40% |
| 9 | 24% | 1 | 2% | - | - | 3 | 23% | 2 | 12% | 4 | 19% | 5 | 16% | 1 | 17% | - | - | 45 | 15% |
| 15 | 41% | 16 | 36% | 5 | 83% | 4 | 31% | 7 | 44% | 8 | 38% | 15 | 48% | 3 | 50% | 6 | 60% | 131 | 42% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 | 2% |
| 1 | 3% | - | - | - | - | - | - | - | - | - | - | 2 | 7% | - | - | - | - | 4 | 1% |
| 9 | 24% | 3 | 7% | 2 | 33% | - | - | 1 | 6% | 1 | 5% | 7 | 23% | - | - | - | - | 39 | 13% |
| 4 | 11% | 7 | 16% | - | - | 4 | 31% | 5 | 31% | 10 | 48% | 9 | 29% | - | - | 3 | 30% | 63 | 20% |
| 10 | 27% | 2 | 4% | - | - | 1 | 8% | 2 | 13% | 3 | 14% | 6 | 19% | 2 | 33% | - | - | 48 | 15% |
| 7 | 19% | 12 | 26% | 3 | 50% | 2 | 15% | 4 | 25% | 4 | 19% | 1 | 3% | 4 | 67% | 2 | 20% | 69 | 22% |
| 5 | 13% | 21 | 47% | 1 | 17% | 5 | 38% | 2 | 13% | 3 | 14% | 7 | 23% | - | - | 5 | 50% | 76 | 26% |
| 1 | 3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | 1 | 6% | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | 1 | 6% | - | - | 1 | 3% | - | - | - | - | 2 | 1% |
| - | - | - | - | - | - | 1 | 8% | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| 1 | 3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 7 | 3% |

| | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | M A Ad |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | N |
| 5. Which student data should be used to determine funding entitlement? | | | | | | | | | | | | | |
| a. Enrollment | 10 | 21% | 5 | 31% | 6 | 10% | 5 | 14% | - | - | - | - | |
| b. Peak enrollment | 5 | 10% | 2 | 13% | 12 | 20% | 9 | 24% | 8 | 18% | 2 | 33% | |
| c. Average daily membership | 14 | 29% | 2 | 12% | 26 | 43% | 14 | 38% | 27 | 60% | 3 | 50% | |
| d. Average daily attendance | 17 | 36% | 7 | 44% | 17 | 27% | 9 | 24% | 10 | 22% | 1 | 17% | |
| X. No answer | 2 | 4% | - | - | - | - | - | - | - | - | - | - | |
| 6. Which do you prefer for local enrichment? | | | | | | | | | | | | | |
| a. Optional local ad valorem taxes to add 5% to basic plan | 4 | 8% | 2 | 13% | 6 | 10% | 1 | 3% | 6 | 13% | 1 | 17% | |
| b. Optional local ad valorem taxes to add 10% to basic plan | 12 | 25% | 5 | 31% | 27 | 44% | 14 | 37% | 16 | 36% | 2 | 33% | |
| c. Optional local ad valorem tax within limits, yield equalized among districts | 22 | 47% | 3 | 19% | 22 | 36% | 18 | 49% | 17 | 39% | 3 | 50% | |
| X1. Local enrichment limited to 15% | 1 | 2% | - | - | - | - | - | - | 2 | 4% | - | - | |
| X2. Local enrichment limited to 25% | 1 | 2% | - | - | - | - | 1 | 3% | - | - | - | - | |
| X3. Unlimited local enrichment | 2 | 4% | 2 | 12% | 3 | 5% | 1 | 3% | 2 | 4% | - | - | |
| X4. No local enrichment | 1 | 2% | 2 | 13% | - | - | - | - | - | - | - | - | |
| X5. Enrichment of equal dollars per child | 1 | 2% | - | - | - | - | - | - | - | - | - | - | |
| X6. Enrichment tax allowed - 50% of yield given to State | 1 | 2% | - | - | - | - | - | - | - | - | - | - | |
| X7. Enrichment delayed until basic plan implemented | 1 | 2% | - | - | - | - | - | - | - | - | - | - | |
| X8. No answer | 2 | 4% | 2 | 12% | 3 | 5% | 2 | 5% | 2 | 4% | - | - | |
| 7. Should school districts with comparatively small enrollments be encouraged to consolidate? | | | | | | | | | | | | | |
| Yes | 41 | 85% | 13 | 81% | 38 | 62% | 27 | 73% | 37 | 82% | 6 | 100% | |
| No | 5 | 11% | 3 | 19% | 22 | 36% | 8 | 22% | 8 | 18% | - | - | |
| "H---" No | 1 | 2% | - | - | - | - | - | - | - | - | - | - | |
| No answer | 1 | 2% | - | - | 1 | 2% | 2 | 5% | - | - | - | - | |
| 7a. How should these districts be encouraged? | | | | | | | | | | | | | |
| a. Provide incentive payments | 10 | 21% | - | - | 14 | 23% | 6 | 16% | 9 | 20% | 4 | 67% | |
| b. Fund smaller districts at same "per pupil" level as larger districts | 18 | 38% | 3 | 19% | 5 | 8% | 6 | 16% | 7 | 16% | - | - | |
| c. Legislative action | 12 | 25% | 9 | 56% | 14 | 23% | 17 | 46% | 21 | 47% | - | - | |
| X1. Combination of a & b | - | - | - | - | 2 | 3% | - | - | - | - | - | - | |
| X2. Combination of a & c | - | - | - | - | - | - | - | - | - | - | 1 | 17% | |
| X3. Legislative action, but districts allowed to choose merger partner | - | - | - | - | 1 | 2% | - | - | - | - | - | - | |
| X4. Legislative action if district does not offer K-12 program | - | - | - | - | 1 | 2% | 1 | 3 | 1 | 2% | - | - | |
| X5. Force consolidation through accreditation standards | - | - | 1 | 6% | - | - | 1 | 3% | - | - | - | - | |
| X6. State Board of Education to set consolidation requirements | - | - | 1 | 6% | - | - | - | - | - | - | - | - | |
| X7. 500 pupils minimum size | - | - | | | 1 | 2% | - | - | - | - | - | - | |
| X8. 1000 pupils minimum size | - | - | - | - | - | - | 2 | 5% | 1 | 2% | - | - | |
| X9. Financial penalty if less than 1/25 teacher/pupil ratio exists | - | - | - | - | - | - | - | - | - | - | 1 | 17% | |
| X10. Density of area determines allowable district size | 1 | 2% | - | - | - | - | - | - | - | - | - | - | |
| X11. Provide incentives taxpayers can feel so they will push for consolidation | 1 | 2% | - | - | - | - | - | - | - | - | - | - | |
| X12. No answer | 1 | 2% | - | - | - | - | - | - | - | - | - | - | |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| School Super-tendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| | 10% | 5 | 14% | - | - | - | - | 1 | 8% | 2 | 12% | 2 | 9% | 3 | 10% | 1 | 17% | 1 | 10% | 36 | 12% |
| | 20% | 9 | 24% | 8 | 18% | 2 | 33% | 2 | 15% | 2 | 12% | 4 | 19% | 4 | 13% | 1 | 17% | - | - | 51 | 16% |
| | 43% | 14 | 38% | 27 | 60% | 3 | 50% | 8 | 62% | 10 | 63% | 10 | 48% | 15 | 48% | 2 | 33% | 5 | 50% | 136 | 44% |
| | 27% | 9 | 24% | 10 | 22% | 1 | 17% | 2 | 15% | 2 | 13% | 5 | 24% | 9 | 29% | 2 | 33% | 4 | 40% | 85 | 27% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 1% |
| | 10% | 1 | 3% | 6 | 13% | 1 | 17% | - | - | 1 | 6% | 2 | 10% | 3 | 10% | 1 | 16% | - | - | 27 | 9% |
| | 44% | 14 | 37% | 16 | 36% | 2 | 33% | 8 | 62% | 7 | 44% | 11 | 52% | 16 | 52% | 1 | 17% | 7 | 70% | 126 | 41% |
| | 36% | 18 | 49% | 17 | 39% | 3 | 50% | 5 | 38% | 5 | 31% | 6 | 28% | 10 | 32% | 3 | 50% | 2 | 20% | 116 | 37% |
| | - | - | - | 2 | 4% | - | - | - | - | - | - | - | - | - | - | 1 | 17% | 1 | 10% | 5 | 2% |
| | - | 1 | 3% | - | - | - | - | - | - | 1 | 6% | - | - | - | - | - | - | - | - | 3 | 1% |
| | 5% | 1 | 3% | 2 | 4% | - | - | - | - | - | - | 2 | 10% | 1 | 3% | - | - | - | - | 13 | 4% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3 | 1% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | - | - | - | - | - | - | - | - | - | 1 | 6% | - | - | - | - | - | - | - | - | 2 | 1% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | 5% | 2 | 5% | 2 | 4% | - | - | - | - | 1 | 7% | - | - | 1 | 3% | - | - | - | - | 13 | 4% |
| | 69% | 27 | 73% | 37 | 82% | 6 | 100% | 13 | 100% | 15 | 94% | 15 | 71% | 6 | 19% | 6 | 100% | 10 | 100% | 227 | 74% |
| | 36% | 8 | 22% | 8 | 18% | - | - | - | - | - | - | 5 | 24% | 24 | 78% | - | - | - | - | 75 | 24% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | 2% | 2 | 5% | - | - | - | - | - | - | 1 | 6% | 1 | 5% | 1 | 3% | - | - | - | - | 7 | 2% |
| | 23% | 6 | 16% | 9 | 20% | 4 | 67% | 2 | 15% | 4 | 25% | 5 | 24% | 2 | 6% | - | - | - | - | 56 | 18% |
| | 8% | 6 | 16% | 7 | 16% | - | - | 5 | 39% | 2 | 12% | 3 | 14% | - | - | 3 | 50% | 3 | 30% | 55 | 18% |
| | 23% | 17 | 46% | 21 | 47% | - | - | 6 | 46% | 6 | 38% | 6 | 28% | 4 | 13% | 2 | 33% | 6 | 60% | 103 | 33% |
| | 3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 1% |
| | - | - | - | - | - | 1 | 17% | - | - | 2 | 12% | - | - | - | - | 1 | 17% | - | - | 4 | 1% |
| | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | 2% | 1 | 3 | 1 | 2% | - | - | - | - | - | - | 1 | 5% | - | - | - | - | - | - | 4 | 1% |
| | - | 1 | 3 | - | - | - | - | - | - | 1 | 7% | - | - | - | - | - | - | 1 | 10% | 4 | 1% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | - | 2 | 5% | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3 | 1% |
| | - | - | - | - | - | 1 | 17% | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| | Legislative members and candidates | | State Board of Education members and candidates | | School Super-intendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Memb the Assc of Admin |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. |
| 8. Transportation funds should be provided for students: | | | | | | | | | | | | | |
| a. Who live 1/2 mile or more from school | 3 | 6% | 1 | 6% | 10 | 16% | 4 | 11% | 3 | 7% | - | - | 1 |
| b. Who live 1 mile or more from school | 6 | 13% | - | - | 15 | 25% | 7 | 19% | 9 | 20% | - | - | 2 |
| c. Who live 1-1/2 miles or more from school | 2 | 4% | - | - | 6 | 10% | 2 | 5% | 3 | 7% | 1 | 17% | 1 |
| d. Who live 2 miles or more from school | 11 | 23% | 2 | 12% | 13 | 20% | 5 | 14% | 7 | 15% | 1 | 17% | 3 |
| e. Regardless of distance | 7 | 15% | 2 | 13% | 6 | 10% | 7 | 18% | 3 | 7% | - | - | 2 |
| f. In accordance with State Board of Education policies | 7 | 15% | 9 | 56% | 6 | 10% | 6 | 16% | 10 | 22% | 1 | 16% | 2 |
| g. In accordance with local governing board policies | 5 | 10% | 2 | 13% | 3 | 5% | 5 | 14% | 9 | 20% | 3 | 50% | 2 |
| X1. Combination of b & c | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - |
| X2. Combination of b & f | - | - | - | - | - | - | 1 | 3% | - | - | - | - | - |
| X3. Combination of b & g | 1 | 2% | - | - | - | - | - | - | 1 | 2% | - | - | - |
| X4. Combination of d & g | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - |
| X5. Combination of f & g | 1 | 2% | - | - | 1 | 2% | - | - | - | - | - | - | - |
| X6. Who attend schools under court order | - | - | - | - | 1 | 2% | - | - | - | - | - | - | - |
| X7. No answer | 3 | 6% | - | - | - | - | - | - | - | - | - | - | - |
| 9. Which of the following should be used to provide for capital requirements? | | | | | | | | | | | | | |
| a. Funds as a part of a basic financing plan | 3 | 6% | 2 | 12% | 14 | 23% | 9 | 24% | 4 | 9% | - | - | 2 |
| b. Local taxes, specifically set aside for capital requirements | 14 | 29% | 7 | 44% | 22 | 36% | 8 | 22% | 7 | 16% | 2 | 33% | 4 |
| c. Combination of local and supplementing a basic plan | 25 | 52% | 7 | 44% | 23 | 37% | 19 | 51% | 32 | 71% | 4 | 67% | 5 |
| X1. Combination of a & b | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X2. Combination of b & c | - | - | - | - | 1 | 2% | - | - | 2 | 4% | - | - | - |
| X3. Equal dollars per student, equalized among districts | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - |
| X4. State funds 75% of construction | - | - | - | - | - | - | 1 | 3% | - | - | - | - | - |
| X5. Capital funds may be used for new facilities or maintenance of old | - | - | - | - | 1 | 2% | - | - | - | - | - | - | - |
| X6. Local taxes support capital needs 100%. Facilities will then be similar to community and living conditions | 1 | 2% | - | - | - | - | - | - | - | - | - | - | 2 |
| X7. No answer | 4 | 9% | - | - | - | - | - | - | - | - | - | - | - |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Percent | | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 16% | | 4 | 11% | 3 | 7% | - | - | 1 | 8% | - | - | 1 | 5% | 6 | 19% | 1 | 17% | 2 | 20% | 32 | 10% |
| 25% | | 7 | 19% | 9 | 20% | - | - | 2 | 15% | 3 | 19% | 6 | 28% | 7 | 23% | - | - | 2 | 20% | 57 | 19% |
| 10% | | 2 | 5% | 3 | 7% | 1 | 17% | 1 | 8% | 1 | 6% | - | - | 1 | 3% | - | - | - | - | 17 | 5% |
| 20% | | 5 | 14% | 7 | 15% | 1 | 17% | 3 | 23% | 3 | 19% | 4 | 19% | 6 | 19% | 2 | 33% | 3 | 30% | 60 | 20% |
| 10% | | 7 | 18% | 3 | 7% | - | - | 2 | 16% | - | - | 2 | 10% | 4 | 13% | - | - | - | - | 33 | 11% |
| 16% | | 6 | 16% | 10 | 22% | 1 | 16% | 2 | 15% | 5 | 31% | 3 | 14% | 4 | 13% | 1 | 17% | 2 | 20% | 56 | 18% |
| 5% | | 5 | 14% | 9 | 20% | 3 | 50% | 2 | 15% | 4 | 25% | 5 | 24% | 3 | 10% | 2 | 33% | 1 | 10% | 44 | 14% |
| - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | | 1 | 3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | | - | - | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 1% |
| 2% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| 2% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 1% |
| - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | | | | | | | | | | | | | | | | | | | | 3 | 1% |
| 23% | | 9 | 24% | 4 | 9% | - | - | 2 | 15% | 1 | 6% | 4 | 19% | 8 | 26% | 1 | 17% | 1 | 10% | 49 | 16% |
| 36% | | 8 | 22% | 7 | 16% | 2 | 33% | 4 | 31% | 6 | 38% | 4 | 19% | 12 | 39% | - | - | 5 | 50% | 91 | 30% |
| 37% | | 19 | 51% | 32 | 71% | 4 | 67% | 5 | 39% | 8 | 50% | 13 | 62% | 11 | 35% | 5 | 83% | 4 | 40% | 156 | 51% |
| - | | - | - | - | - | - | - | - | - | 1 | 6% | - | - | - | - | - | - | - | - | 1 | 0% |
| 2% | | - | - | 2 | 4% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3 | 1% |
| - | | - | - | - | - | - | - | | | | | | | | | | | | | | |
| - | | 1 | 3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| 2% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| | | | | | | | | | | | | | | | | | | | | 1 | 0% |
| - | | - | - | - | - | - | - | 2 | 15% | - | - | - | - | - | - | - | - | - | - | 3 | 1% |
| - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 1% |

| | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10. Preferred Method of Allocating State Funds by Program or Category: | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| a. Administrative Personnel: | | | | | | | | | | | | | | |
| Special grants based on need | 2 | 4% | - | - | 3 | 5% | 2 | 5% | 1 | 2% | 1 | 17% | 2 | |
| Part of basic support formula | 39 | 81% | 11 | 69% | 50 | 82% | 33 | 89% | 43 | 96% | 5 | 83% | 11 | |
| Not supported by State funds | 5 | 11% | 5 | 31% | 7 | 11% | 1 | 3% | - | - | - | - | - | |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | |
| b. Teaching Personnel: | | | | | | | | | | | | | | |
| Special grants based on need | 3 | 6% | - | - | 3 | 5% | - | - | | | | | | |
| Part of basic support formula | 43 | 90% | 16 | 100% | 57 | 93% | 36 | 97% | 1 | 2% | 1 | 17% | 2 | |
| Not supported by State funds | - | - | - | - | - | - | - | - | 43 | 96% | 5 | 83% | 11 | |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | - | - | - | - | - | |
| | | | | | | | | | 1 | 2% | - | - | - | |
| c. Clerical, Custodial, Maintenance, and Other Personnel: | | | | | | | | | | | | | | |
| Special grants based on need | 3 | 6% | - | - | 5 | 8% | 2 | 5% | 1 | 2% | 1 | 17% | 1 | |
| Part of basic support formula | 37 | 77% | 11 | 69% | 50 | 82% | 30 | 81% | 40 | 89% | 5 | 83% | 8 | |
| Not supported by State funds | 6 | 13% | 5 | 31% | 5 | 8% | 4 | 11% | 3 | 7% | - | - | 4 | |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | |
| d. Deaf, Hard of Hearing: | | | | | | | | | | | | | | |
| Special grants based on need | 33 | 69% | 15 | 94% | 39 | 64% | 23 | 62% | 30 | 67% | 4 | 66% | 8 | |
| Part of basic support formula | 11 | 23% | 1 | 6% | 19 | 31% | 13 | 35% | 12 | 27% | 1 | 17% | 5 | |
| Not supported by State funds | 1 | 2% | - | - | 2 | 3% | - | - | 2 | 4% | 1 | 17% | - | |
| No answer | 3 | 6% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | |
| e. Blind: | | | | | | | | | | | | | | |
| Special grants based on need | 33 | 69% | 15 | 94% | 40 | 66% | 23 | 62% | 30 | 67% | 4 | 66% | 8 | |
| Part of basic support formula | 11 | 23% | 1 | 6% | 18 | 29% | 13 | 35% | 12 | 27% | 1 | 17% | - | |
| Not supported by State funds | 1 | 2% | - | - | 2 | 3% | - | - | 2 | 4% | 1 | 17% | - | |
| No Answer | 3 | 6% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | |
| f. Mentally Retarded: | | | | | | | | | | | | | | |
| Special grants based on need | 34 | 71% | 15 | 94% | 37 | 61% | 20 | 54% | 29 | 65% | 4 | 66% | 7 | |
| Part of basic support formula | 12 | 25% | 1 | 6% | 21 | 34% | 16 | 43% | 15 | 33% | 1 | 17% | 6 | |
| Not supported by State funds | - | - | - | - | 2 | 3% | - | - | - | - | 1 | 17% | - | |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | |
| g. Physically Handicapped: | | | | | | | | | | | | | | |
| Special grants based on need | 35 | 73% | 15 | 94% | 38 | 62% | 22 | 59% | 30 | 67% | 4 | 66% | 7 | |
| Part of basic support formula | 11 | 23% | 1 | 6% | 20 | 33% | 14 | 38% | 14 | 31% | 1 | 17% | 6 | |
| Not supported by State funds | - | - | - | - | 2 | 3% | - | - | - | - | 1 | 17% | - | |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | |
| h. Emotionally Disturbed: | | | | | | | | | | | | | | |
| Special grants based on need | 33 | 69% | 14 | 88% | 38 | 62% | 21 | 57% | 28 | 63% | 4 | 66% | 6 | |
| Part of basic support formula | 11 | 23% | 2 | 12% | 20 | 33% | 15 | 40% | 15 | 33% | 1 | 17% | | |
| Not supported by State funds | 2 | 4% | - | - | 2 | 3% | - | - | 1 | 2% | 1 | 17% | - | |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | |

Exhibit B
4

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| hool per-ndents | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 5% | 2 | 5% | 1 | 2% | 1 | 17% | 2 | 15% | - | - | 2 | 10% | 5 | 16% | 1 | 17% | - | - | 19 | 6% |
| 82% | 33 | 89% | 43 | 96% | 5 | 83% | 11 | 85% | 16 | 100% | 19 | 90% | 25 | 81% | 5 | 83% | 10 | 100% | 267 | 86% |
| 11% | 1 | 3% | - | - | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 19 | 6% |
| 2% | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 | 2% |
| 5% | - | - | 1 | 2% | 1 | 17% | 2 | 15% | - | - | 2 | 10% | 4 | 13% | 1 | 17% | - | - | 17 | 5% |
| 93% | 36 | 97% | 43 | 96% | 5 | 83% | 11 | 85% | 16 | 100% | 19 | 90% | 27 | 87% | 5 | 83% | 10 | 100% | 288 | 93% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 | 0% |
| 2% | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 | 2% |
| 8% | 2 | 5% | 1 | 2% | 1 | 17% | 1 | 8% | 2 | 13% | 4 | 19% | 5 | 16% | 1 | 17% | 2 | 20% | 27 | 8% |
| 82% | 30 | 81% | 40 | 89% | 5 | 83% | 8 | 62% | 12 | 75% | 14 | 67% | 24 | 77% | 5 | 83% | 8 | 80% | 244 | 79% |
| 8% | 4 | 11% | 3 | 7% | - | - | 4 | 30% | 2 | 12% | 3 | 14% | 2 | 7% | - | - | - | - | 34 | 11% |
| 2% | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 | 2% |
| 64% | 23 | 62% | 30 | 67% | 4 | 66% | 8 | 62% | 11 | 69% | 17 | 81% | 24 | 77% | 5 | 83% | 6 | 60% | 215 | 70% |
| 31% | 13 | 35% | 12 | 27% | 1 | 17% | 5 | 38% | 5 | 31% | 4 | 19% | 3 | 10% | 1 | 17% | 4 | 40% | 79 | 25% |
| 3% | - | - | 2 | 4% | 1 | 17% | - | - | - | - | - | - | 3 | 10% | - | - | - | - | 9 | 3% |
| 2% | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 7 | 2% |
| 66% | 23 | 62% | 30 | 67% | 4 | 66% | 8 | 62% | 12 | 75% | 17 | 81% | 24 | 77% | 5 | 83% | 6 | 60% | 217 | 70% |
| 29% | 13 | 35% | 12 | 27% | 1 | 17% | 5 | 38% | 4 | 25% | 4 | 19% | 3 | 10% | 1 | 17% | 4 | 40% | 77 | 25% |
| 3% | - | - | 2 | 4% | 1 | 17% | - | - | - | - | - | - | 3 | 10% | - | - | - | - | 9 | 3% |
| 2% | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 7 | 2% |
| 61% | 20 | 54% | 29 | 65% | 4 | 66% | 7 | 54% | 8 | 50% | 16 | 76% | 22 | 71% | 5 | 83% | 4 | 40% | 201 | 65% |
| 34% | 16 | 43% | 15 | 33% | 1 | 17% | 6 | 46% | 8 | 50% | 5 | 24% | 6 | 19% | 1 | 17% | 6 | 60% | 98 | 32% |
| 3% | - | - | - | - | 1 | 17% | - | - | - | - | - | - | 3 | 10% | - | - | - | - | 6 | 2% |
| 2% | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 | 1% |
| 62% | 22 | 59% | 30 | 67% | 4 | 66% | 7 | 54% | 10 | 63% | 16 | 76% | 24 | 77% | 5 | 83% | 5 | 50% | 211 | 68% |
| 33% | 14 | 38% | 14 | 31% | 1 | 17% | 6 | 46% | 6 | 37% | 5 | 24% | 4 | 13% | 1 | 17% | 5 | 50% | 88 | 28% |
| 3% | - | - | - | - | 1 | 17% | - | - | - | - | - | - | 2 | 7% | - | - | - | - | 5 | 2% |
| 2% | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 6 | 2% |
| 62% | 21 | 57% | 28 | 63% | 4 | 66% | 6 | 46% | 8 | 50% | 16 | 76% | 23 | 74% | 5 | 83 | 5 | 50% | 201 | 65% |
| 33% | 15 | 40% | 15 | 33% | 1 | 17% | 7 | 54% | 8 | 50% | 5 | 24% | 5 | 16% | 1 | 17% | 5 | 50% | 95 | 31% |
| 3% | - | - | 1 | 2% | 1 | 17% | - | - | - | - | - | - | 2 | 7% | - | - | - | - | 8 | 2% |
| 2% | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3 | - | - | - | - | 6 | 2 |

| | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members the Associ of S Admini | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | P |
| 10. Preferred Method of Allocating State Funds by Program or Category (Continued): | | | | | | | | | | | | | | |
| i. Hyperkinetic: | | | | | | | | | | | | | | |
| Special grants based on need | 32 | 67% | 14 | 88% | 39 | 64% | 22 | 59% | 28 | 62% | 4 | 66% | 6 | |
| Part of basic support formula | 10 | 21% | 2 | 12% | 18 | 30% | 13 | 35% | 13 | 29% | 1 | 17% | 7 | |
| Not supported by State funds | - | - | - | - | 2 | 3% | 1 | 3% | - | - | 1 | 17% | - | |
| No answer | 6 | 12% | - | - | 2 | 3% | 1 | 3% | 4 | 9% | - | - | - | |
| j. Multi-handicapped: | | | | | | | | | | | | | | |
| Special grants based on need | 36 | 75% | 15 | 94% | 40 | 65% | 22 | 59% | 30 | 67% | 4 | 66% | 6 | |
| Part of basic support formula | 9 | 19% | 1 | 6% | 18 | 30% | 14 | 38% | 12 | 27% | 1 | 17% | 7 | |
| Not supported by State funds | 1 | 2% | - | - | 2 | 3% | - | - | 1 | 2% | 1 | 17% | - | |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 2 | 4% | - | - | - | |
| k. Speech Handicapped: | | | | | | | | | | | | | | |
| Special grants based on need | 32 | 67% | 12 | 75% | 39 | 64% | 20 | 54% | 25 | 56% | 4 | 66% | 5 | |
| Part of basic support formula | 14 | 29% | 3 | 19% | 19 | 31% | 17 | 46% | 19 | 42% | 1 | 17% | 8 | |
| Not supported by State funds | - | - | 1 | 6% | 2 | 3% | - | - | - | - | 1 | 17% | - | |
| No answer | 2 | 4% | - | - | 1 | 2% | - | - | 1 | 2% | - | - | - | |
| l. Pregnant Students: | | | | | | | | | | | | | | |
| Special grants based on need | 18 | 38% | 5 | 31% | 30 | 49% | 17 | 46% | 18 | 40% | 2 | 33% | 6 | |
| Part of basic support formula | 16 | 33% | 5 | 31% | 23 | 38% | 14 | 38% | 13 | 29% | 3 | 50% | 6 | |
| Not supported by State funds | 12 | 25% | 6 | 38% | 6 | 10% | 6 | 16% | 10 | 22% | 1 | 17% | 1 | |
| No answer | 2 | 4% | - | - | 2 | 3% | - | - | 4 | 9% | - | - | - | |
| m. Slow Learners: | | | | | | | | | | | | | | |
| Special grants based on need | 15 | 31% | 4 | 25% | 28 | 46% | 15 | 40% | 18 | 40% | 4 | 67% | 6 | |
| Part of basic support formula | 31 | 65% | 12 | 75% | 29 | 47% | 20 | 54% | 25 | 56% | 2 | 33% | 7 | |
| Not supported by State funds | - | - | - | - | 3 | 5% | 1 | 3% | - | - | - | - | - | |
| No Answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 2 | 4% | - | - | - | |
| n. Gifted Students: | | | | | | | | | | | | | | |
| Special grants based on need | 13 | 27% | 2 | 12% | 26 | 43% | 16 | 43% | 14 | 31% | 4 | 67% | 5 | |
| Part of basic support formula | 31 | 65% | 11 | 69% | 31 | 50% | 19 | 51% | 29 | 65% | 2 | 33% | 8 | |
| Not supported by State funds | 2 | 4% | 3 | 19% | 3 | 5% | 1 | 3% | - | - | - | - | - | |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 2 | 4% | - | - | - | |
| o. Disadvantaged (family income below subsistence level): | | | | | | | | | | | | | | |
| Special grants based on need | 20 | 42% | 4 | 25% | 33 | 54% | 17 | 46% | 26 | 58% | 4 | 67% | 7 | |
| Part of basic support formula | 18 | 38% | 6 | 38% | 17 | 28% | 14 | 38% | 11 | 24% | 2 | 33% | 4 | |
| Not supported by State funds | 6 | 12% | 5 | 31% | 7 | 11% | 4 | 11% | 4 | 9% | - | - | 2 | |
| No answer | 4 | 8% | 1 | 6% | 4 | 7% | 2 | 5% | 4 | 9% | - | - | - | |
| p. Non-English Speaking: | | | | | | | | | | | | | | |
| Special grants based on need | 24 | 50% | 10 | 63% | 41 | 67% | 24 | 65% | 26 | 58% | 2 | 33% | 5 | |
| Part of basic support formula | 20 | 42% | 5 | 31% | 16 | 26% | 12 | 32% | 15 | 33% | 4 | 67% | 7 | |
| Not supported by State funds | 2 | 4% | 1 | 6% | 2 | 3% | 1 | 3% | 1 | 2% | - | - | 1 | |
| No answer | 2 | 4% | - | - | 2 | 4% | - | - | 3 | 7% | - | - | - | |

Exhibit B
3

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| hool per- ndents | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 64% | 22 | 59% | 28 | 62% | 4 | 66% | 6 | 46% | 9 | 56% | 15 | 71% | 23 | 74% | 5 | 83% | 5 | 50% | 202 | 65% |
| 30% | 13 | 35% | 13 | 29% | 1 | 17% | 7 | 54% | 7 | 44% | 5 | 24% | 3 | 10% | 1 | 17% | 4 | 40% | 84 | 27% |
| 3% | 1 | 3% | - | - | 1 | 17% | - | - | - | - | 1 | 5% | 3 | 10% | - | - | 1 | 10% | 9 | 3% |
| 3% | 1 | 3% | 4 | 9% | - | - | - | - | - | - | - | - | 2 | 6% | - | - | - | - | 15 | 5% |
| 65% | 22 | 59% | 30 | 67% | 4 | 66% | 6 | 46% | 11 | 69% | 17 | 81% | 24 | 77% | 5 | 83% | 5 | 50% | 215 | 69% |
| 30% | 14 | 38% | 12 | 27% | 1 | 17% | 7 | 54% | 5 | 31% | 4 | 19% | 3 | 10% | 1 | 17% | 5 | 50% | 80 | 26% |
| 3% | - | - | 1 | 2% | 1 | 17% | - | - | - | - | - | - | 2 | 6% | - | - | - | - | 7 | 2% |
| 2% | 1 | 3% | 2 | 4% | - | - | - | - | - | - | - | - | 2 | 7% | - | - | - | - | 8 | 3% |
| 64% | 20 | 54% | 25 | 56% | 4 | 66% | 5 | 38% | 6 | 37% | 15 | 71% | 22 | 71% | 4 | 67% | 3 | 30% | 187 | 60% |
| 31% | 17 | 46% | 19 | 42% | 1 | 17% | 8 | 62% | 10 | 63% | 6 | 29% | 6 | 19% | 2 | 33% | 7 | 70% | 112 | 36% |
| 3% | - | - | - | - | 1 | 17% | - | - | - | - | - | - | 2 | 7% | - | - | - | - | 6 | 2% |
| 2% | - | - | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 5 | 2% |
| 49% | 17 | 46% | 18 | 40% | 2 | 33% | 6 | 46% | 6 | 37% | 11 | 52% | 16 | 52% | 3 | 50% | 4 | 40% | 136 | 44% |
| 38% | 14 | 38% | 13 | 29% | 3 | 50% | 6 | 46% | 7 | 44% | 4 | 19% | 5 | 16% | 2 | 33% | 6 | 60% | 104 | 34% |
| 10% | 6 | 16% | 10 | 22% | 1 | 17% | 1 | 8% | 3 | 19% | 5 | 24% | 9 | 29% | 1 | 17% | - | - | 60 | 19% |
| 3% | - | - | 4 | 9% | - | - | - | - | - | - | 1 | 5% | 1 | 3% | - | - | - | - | 10 | 3% |
| 46% | 15 | 40% | 18 | 40% | 4 | 67% | 6 | 46% | 5 | 31% | 7 | 33% | 12 | 39% | 3 | 50% | 2 | 20% | 119 | 38% |
| 47% | 20 | 54% | 25 | 56% | 2 | 33% | 7 | 54% | 11 | 69% | 14 | 67% | 16 | 52% | 3 | 50% | 8 | 80% | 178 | 57% |
| 5% | 1 | 3% | - | - | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 5 | 2% |
| 2% | 1 | 3% | 2 | 4% | - | - | - | - | - | - | - | - | 2 | 6% | - | - | - | - | 8 | 3% |
| 43% | 16 | 43% | 14 | 31% | 4 | 67% | 5 | 38% | 5 | 31% | 5 | 24% | 9 | 29% | 3 | 50% | 2 | 20% | 104 | 34% |
| 50% | 19 | 51% | 29 | 65% | 2 | 33% | 8 | 62% | 11 | 69% | 14 | 66% | 18 | 58% | 3 | 50% | 8 | 80% | 185 | 60% |
| 5% | 1 | 3% | - | - | - | - | - | - | - | - | 2 | 10% | 2 | 7% | - | - | - | - | 13 | 4% |
| 2% | 1 | 3% | 2 | 4% | - | - | - | - | - | - | - | - | 2 | 6% | - | - | - | - | 8 | 2% |
| 54% | 17 | 46% | 26 | 58% | 4 | 67% | 7 | 54% | 9 | 56% | 10 | 47% | 11 | 35% | 3 | 50% | 3 | 30% | 147 | 47% |
| 28% | 14 | 38% | 11 | 24% | 2 | 33% | 4 | 31% | 5 | 31% | 8 | 38% | 12 | 39% | 3 | 50% | 5 | 50% | 105 | 34% |
| 11% | 4 | 11% | 4 | 9% | - | - | 2 | 15% | 2 | 13% | 2 | 10% | 6 | 19% | - | - | 2 | 20% | 40 | 13% |
| 7% | 2 | 5% | 4 | 9% | - | - | - | - | - | - | 1 | 5% | 2 | 7% | - | - | - | - | 18 | 6% |
| 67% | 24 | 65% | 26 | 58% | 2 | 33% | 5 | 38% | 8 | 50% | 14 | 66% | 17 | 55% | 3 | 50% | 4 | 40% | 178 | 57% |
| 26% | 12 | 32% | 15 | 33% | 4 | 67% | 7 | 54% | 7 | 44% | 5 | 24% | 9 | 29% | 3 | 50% | 6 | 60 | 109 | 35% |
| 3% | 1 | 3% | 1 | 2% | - | - | 1 | 8% | 1 | 6% | 2 | 10% | 3 | 10% | - | - | - | - | 14 | 5% |
| 4% | - | - | 3 | 7% | - | - | - | - | - | - | - | - | 2 | 6% | - | - | - | - | 9 | 3% |

| | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 10. Preferred Method of Allocating State Funds by Program or Category (Continued): | | | | | | | | | | | | | | |
| q. Pre-Kindergartan: | | | | | | | | | | | | | | |
| Special grants based on need | 10 | 21% | 2 | 12% | 30 | 49% | 11 | 30% | 13 | 29% | 3 | 50% | 2 | 15% |
| Part of basic support formula | 19 | 40% | 6 | 38% | 12 | 20% | 15 | 40% | 12 | 27% | 2 | 33% | 1 | 8% |
| Not supported by State funds | 16 | 33% | 8 | 50% | 17 | 27% | 10 | 27% | 17 | 37% | 1 | 17% | 10 | 77% |
| No answer | 3 | 6% | - | - | 2 | 4% | 1 | 3% | 3 | 7% | - | - | - | - |
| r. Kindergarten: | | | | | | | | | | | | | | |
| Special grants based on need | 5 | 10% | 2 | 12% | 14 | 23% | 2 | 5% | 3 | 7% | 2 | 33% | 1 | 8% |
| Part of basic support formula | 36 | 75% | 11 | 69% | 37 | 61% | 30 | 81% | 40 | 89% | 4 | 67% | 12 | 92% |
| Not supported by State funds | 5 | 10% | 3 | 19% | 9 | 14% | 4 | 11% | 1 | 2% | - | - | - | - |
| No answer | 2 | 5% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | - |
| s. Adult Education: | | | | | | | | | | | | | | |
| Special grants based on need | 26 | 54% | 2 | 12% | 33 | 54% | 22 | 59% | 28 | 63% | 2 | 33% | 6 | 46% |
| Part of basic support formula | 11 | 23% | 7 | 44% | 12 | 20% | 8 | 22% | 10 | 22% | 2 | 33% | 3 | 23% |
| Not supported by State funds | 9 | 19% | 7 | 44% | 15 | 24% | 6 | 16% | 6 | 13% | 2 | 34% | 4 | 31% |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | - |
| t. Adult Handicapped: | | | | | | | | | | | | | | |
| Special grants based on need | 31 | 65% | 6 | 38% | 34 | 56% | 26 | 70% | 33 | 74% | 4 | 66% | 6 | 46% |
| Part of basic support formula | 8 | 17% | 5 | 31% | 10 | 16% | 4 | 11% | 4 | 9% | 1 | 17% | 2 | 15% |
| Not supported by State funds | 7 | 14% | 5 | 31% | 15 | 25% | 6 | 16% | 6 | 13% | 1 | 17% | 5 | 39% |
| No answer | 2 | 4% | - | - | 2 | 3% | 1 | 3% | 2 | 4% | - | - | - | - |
| u. Vocational Education: | | | | | | | | | | | | | | |
| Special grants based on need | 9 | 19% | 7 | 44% | 23 | 38% | 9 | 24% | 9 | 20% | 3 | 50% | 3 | 23% |
| Part of basic support formula | 37 | 77% | 9 | 56% | 37 | 60% | 25 | 68% | 34 | 76% | 2 | 33% | 10 | 77% |
| Not supported by State funds | - | - | - | - | - | - | 2 | 5% | 1 | 2% | 1 | 17% | - | - |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | - |
| v. Driver Training: | | | | | | | | | | | | | | |
| Special grants based on need | 7 | 15% | 4 | 25% | 22 | 36% | 8 | 21% | 7 | 16% | - | - | 2 | 15% |
| Part of basic support formula | 32 | 66% | 9 | 56% | 38 | 62% | 27 | 73% | 35 | 78% | 6 | 100% | 11 | 85% |
| Not supported by State funds | 7 | 15% | 3 | 19% | - | - | 1 | 3% | 2 | 4% | - | - | - | - |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 1 | 2% | - | - | - | - |
| w. Educational T.V.: | | | | | | | | | | | | | | |
| Special grants based on need | 16 | 33% | 5 | 31% | 31 | 51% | 16 | 43% | 20 | 44% | 3 | 50% | 4 | 31% |
| Part of basic support formula | 21 | 44% | 6 | 38% | 18 | 30% | 15 | 41% | 23 | 52% | 3 | 50% | 6 | 46% |
| Not supported by State funds | 7 | 15% | 4 | 25% | 9 | 15% | 5 | 13% | 1 | 2% | - | - | 3 | 23% |
| No Answer | 4 | 8% | 1 | 6% | 3 | 4% | 1 | 3% | 1 | 2% | - | - | - | - |
| x. Research: | | | | | | | | | | | | | | |
| Special grants based on need | 22 | 46% | 8 | 50% | 32 | 52% | 20 | 54% | 22 | 49% | 5 | 83% | 4 | 31% |
| Part of basic support formula | 17 | 35% | 5 | 31% | 14 | 23% | 12 | 32% | 17 | 38% | - | - | 6 | 46% |
| Not supported by State funds | 5 | 11% | 3 | 19% | 12 | 20% | 4 | 11% | 4 | 9% | 1 | 17% | 3 | 23% |
| No answer | 4 | 8% | - | - | 3 | 5% | 1 | 3% | 2 | 4% | - | - | - | - |

S SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 1 | 30% | 13 | 29% | 3 | 50% | 2 | 15% | 9 | 56% | 7 | 33% | 11 | 35% | 3 | 50% | 2 | 20% | 103 | 33% |
| 5 | 40% | 12 | 27% | 2 | 33% | 1 | 8% | 3 | 19% | 6 | 29% | 7 | 23% | 2 | 33% | 6 | 60% | 91 | 29% |
| 0 | 27% | 17 | 37% | 1 | 17% | 10 | 77% | 4 | 25% | 8 | 38% | 10 | 32% | 1 | 17% | 2 | 20% | 104 | 34% |
| 1 | 3% | 3 | 7% | - | - | - | - | - | - | - | - | 3 | 10% | - | - | - | - | 12 | 4% |
| 2 | 5% | 3 | 7% | 2 | 33% | 1 | 8% | 1 | 6% | 2 | 10% | 7 | 23% | 1 | 17% | - | - | 40 | 13% |
| 0 | 81% | 40 | 89% | 4 | 67% | 12 | 92% | 13 | 81% | 19 | 90% | 19 | 61% | 5 | 83% | 9 | 90% | 235 | 76% |
| 4 | 11% | 1 | 2% | - | - | - | - | 2 | 13% | - | - | 5 | 16% | - | - | - | - | 29 | 9% |
| 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 10% | 6 | 2% |
| 2 | 59% | 28 | 63% | 2 | 33% | 6 | 46% | 6 | 38% | 14 | 67% | 18 | 58% | 2 | 33% | 3 | 30% | 162 | 52% |
| 8 | 22% | 10 | 22% | 2 | 33% | 3 | 23% | 7 | 44% | 4 | 19% | 4 | 13% | 3 | 50% | 4 | 40% | 75 | 24% |
| 6 | 16% | 6 | 13% | 2 | 34% | 4 | 31% | 2 | 12% | 3 | 14% | 6 | 19% | - | - | 3 | 30% | 63 | 21% |
| 1 | 3% | 1 | 2% | - | - | - | - | 1 | 6% | - | - | 3 | 10% | 1 | 17% | - | - | 10 | 3% |
| 6 | 70% | 33 | 74% | 4 | 66% | 6 | 46% | 10 | 63% | 16 | 76% | 19 | 61% | 3 | 50% | 5 | 50% | 193 | 62% |
| 4 | 11% | 4 | 9% | 1 | 17% | 2 | 15% | 5 | 31% | 3 | 14% | 2 | 6% | 2 | 33% | 3 | 30% | 49 | 16% |
| 6 | 16% | 6 | 13% | 1 | 17% | 5 | 39% | 1 | 6% | 2 | 10% | 7 | 23% | - | - | 2 | 20% | 57 | 18% |
| 1 | 3% | 2 | 4% | - | - | - | - | - | - | - | - | 3 | 10% | 1 | 17% | - | - | 11 | 4% |
| 9 | 24% | 9 | 20% | 3 | 50% | 3 | 23% | 3 | 19% | 5 | 24% | 11 | 35% | 1 | 17% | 1 | 10% | 84 | 27% |
| 5 | 68% | 34 | 76% | 2 | 33% | 10 | 77% | 13 | 81% | 16 | 76% | 20 | 65% | 5 | 83% | 9 | 90% | 217 | 70% |
| 2 | 5% | 1 | 2% | 1 | 17% | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 1% |
| 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 | 2% |
| 8 | 21% | 7 | 16% | - | - | 2 | 15% | 2 | 13% | 6 | 29% | 9 | 29% | 1 | 17% | - | - | 68 | 22% |
| 7 | 73% | 35 | 78% | 6 | 100% | 11 | 85% | 13 | 81% | 15 | 71% | 19 | 61% | 5 | 83% | 10 | 100% | 220 | 71% |
| 1 | 3% | 2 | 4% | - | - | - | - | 1 | 6% | - | - | 2 | 7% | - | - | - | - | 16 | 5% |
| 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 6 | 2% |
| 6 | 43% | 20 | 44% | 3 | 50% | 4 | 31% | 4 | 25% | 7 | 33% | 15 | 48% | 3 | 50% | 4 | 40% | 128 | 41% |
| 5 | 41% | 23 | 52% | 3 | 50% | 6 | 46% | 8 | 50% | 11 | 53% | 10 | 32% | 3 | 50% | 4 | 40% | 128 | 41% |
| 5 | 13% | 1 | 2% | - | - | 3 | 23% | 4 | 25% | 3 | 14% | 5 | 16% | - | - | 2 | 20% | 43 | 14% |
| 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 4% | - | - | - | - | 11 | 4% |
| 0 | 54% | 22 | 49% | 5 | 83% | 4 | 31% | 9 | 56% | 9 | 43% | 13 | 42% | 4 | 67% | 4 | 40% | 152 | 49% |
| 2 | 32% | 17 | 38% | - | - | 6 | 46% | 6 | 38% | 9 | 43% | 7 | 23% | 1 | 16% | 5 | 50 | 99 | 32% |
| 4 | 11% | 4 | 9% | 1 | 17% | 3 | 23% | 1 | 6% | 2 | 9% | 9 | 29% | 1 | 17% | 1 | 10 | 46 | 15% |
| 1 | 3% | 2 | 4% | - | - | - | - | - | - | 1 | 5% | 2 | 6 | - | - | - | - | 13 | 4% |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members the Tex Associat of Scho Administr | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Perc |
| 10. Preferred Method of Allocating State Funds by Program or Category (Continued): | | | | | | | | | | | | | | |
| y. Summer School Enrichment: | | | | | | | | | | | | | | |
| Special grants based on need | 12 | 25% | 7 | 44% | 26 | 43% | 14 | 38% | 16 | 36% | 3 | 50% | 3 | 24 |
| Part of basic support formula | 23 | 48% | 7 | 44% | 20 | 33% | 16 | 43% | 20 | 44% | 1 | 17% | 5 | 38 |
| Not supported by State funds | 11 | 23% | 2 | 12% | 13 | 20% | 6 | 16% | 7 | 16% | 2 | 33% | 5 | 38 |
| No answer | 2 | 4% | - | - | 2 | 4% | 1 | 3% | 2 | 4% | - | - | - | - |
| z. Summer School Remedial: | | | | | | | | | | | | | | |
| Special grants based on need | 14 | 29% | 7 | 44% | 30 | 49% | 16 | 43% | 14 | 31% | 4 | 67% | 4 | 31 |
| Part of basic support formula | 25 | 52% | 7 | 44% | 23 | 38% | 17 | 46% | 24 | 54% | 2 | 33% | 5 | 38 |
| Not supported by State funds | 6 | 13% | 1 | 6% | 6 | 9% | 3 | 8% | 6 | 13% | - | - | 4 | 31 |
| No answer | 3 | 6% | 1 | 6% | 2 | 4% | 1 | 3% | 1 | 2% | - | - | - | - |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| ...l ...- ...nts | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ...cent | | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| ...3% | | 14 | 38% | 16 | 36% | 3 | 50% | 3 | 24% | 7 | 44% | 6 | 29% | 9 | 29% | 2 | 33% | 3 | 30% | 108 | 35% |
| ...3% | | 16 | 43% | 20 | 44% | 1 | 17% | 5 | 38% | 7 | 44% | 8 | 38% | 13 | 42% | 3 | 50% | 4 | 40% | 127 | 41% |
| ...0% | | 6 | 16% | 7 | 16% | 2 | 33% | 5 | 38% | 2 | 12% | 7 | 33% | 8 | 26% | 1 | 17% | 3 | 30% | 67 | 22% |
| ...4% | | 1 | 3% | 2 | 4% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 8 | 2% |
| ...9% | | 16 | 43% | 14 | 31% | 4 | 67% | 4 | 31% | 7 | 44% | 8 | 38% | 11 | 35% | 1 | 17% | 5 | 50% | 121 | 39% |
| ...8% | | 17 | 46% | 24 | 54% | 2 | 33% | 5 | 38% | 7 | 44% | 10 | 48% | 12 | 39% | 5 | 83% | 4 | 40% | 141 | 45% |
| ...9% | | 3 | 8% | 6 | 13% | - | - | 4 | 31% | 2 | 12% | 3 | 14% | 7 | 23% | - | - | 1 | 10% | 39 | 13% |
| ...4% | | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 9 | 3% |

| | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 10. Preferred Method of Allocating State Funds by Program or Category (Continued): | | | | | | | | | | | | | | |
| aa. Transportation-Regular: | | | | | | | | | | | | | | |
| Special grants based on need | 7 | 15% | 2 | 13% | 5 | 8% | 1 | 3% | 3 | 7% | 2 | 33% | 1 | 8% |
| Part of basic support formula | 37 | 77% | 12 | 75% | 54 | 88% | 36 | 97% | 41 | 91% | 4 | 67% | 12 | 92% |
| Not supported by State funds | 2 | 4% | 2 | 12% | 1 | 2% | - | - | - | - | - | - | - | - |
| No answer | 2 | 4% | - | - | 1 | 2% | - | - | 1 | 2% | - | - | - | - |
| bb. Transportation-Special Education: | | | | | | | | | | | | | | |
| Special grants based on need | 19 | 40% | 9 | 56% | 34 | 55% | 20 | 54% | 21 | 47% | 2 | 33% | 5 | 38% |
| Part of basic support formula | 25 | 52% | 5 | 31% | 23 | 38% | 15 | 40% | 22 | 49% | 4 | 67% | 8 | 62% |
| Not supported by State funds | 2 | 4% | 2 | 13% | 3 | 5% | 1 | 3% | - | - | - | - | - | - |
| No answer | 2 | 4% | - | - | 1 | 2% | 1 | 3% | 2 | 4% | - | - | - | - |
| cc. Facility Maintenance and Operations Costs: | | | | | | | | | | | | | | |
| Special grants based on need | 1 | 2% | - | - | 6 | 10% | 2 | 5% | 3 | 7% | 1 | 17% | - | - |
| Part of basic support formula | 35 | 73% | 7 | 44% | 52 | 85% | 30 | 81% | 38 | 85% | 5 | 83% | 11 | 85% |
| Not supported by State funds | 10 | 21% | 9 | 56% | 2 | 3% | 5 | 14% | 2 | 4% | - | - | 2 | 15% |
| No answer | 2 | 4% | - | - | 1 | 2% | - | - | 2 | 4% | - | - | - | - |
| dd. Capital Construction Costs: | | | | | | | | | | | | | | |
| Special grants based on need | 8 | 17% | 3 | 19% | 12 | 20% | 13 | 35% | 16 | 36% | 3 | 50% | 1 | 8% |
| Part of basic support formula | 22 | 46% | 5 | 31% | 35 | 57% | 18 | 49% | 23 | 51% | 3 | 50% | 6 | 46% |
| Not supported by State funds | 16 | 33% | 7 | 44% | 13 | 21% | 6 | 16% | 5 | 11% | - | - | 6 | 46% |
| No answer | 2 | 4% | 1 | 6% | 1 | 2% | - | - | 1 | 2% | - | - | - | - |
| ee. Extra-Curricular Activities: | | | | | | | | | | | | | | |
| Special grants based on need | 2 | 4% | 1 | 6% | 7 | 11% | 4 | 11% | 4 | 9% | 1 | 16% | - | - |
| Part of basic support formula | 17 | 35% | 7 | 44% | 27 | 44% | 17 | 46% | 16 | 36% | 1 | 17% | 5 | 38% |
| Not supported by State funds | 25 | 52% | 8 | 50% | 26 | 43% | 16 | 43% | 24 | 53% | 4 | 67% | 8 | 62% |
| No answer | 4 | 9% | - | - | 1 | 2% | - | - | 1 | 2% | - | - | - | - |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| ...ts | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ...ent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| | | | | | | | | | | | | | | | | | | | 32 | 10% |
| ...% | 1 | 3% | 3 | 7% | 2 | 33% | 1 | 8% | 1 | 6% | 1 | 5% | 7 | 23% | 2 | 33% | - | - | 268 | 80% |
| ...% | 36 | 97% | 41 | 91% | 4 | 67% | 12 | 92% | 15 | 94% | 20 | 95% | 23 | 74% | 4 | 67% | 10 | 100% | 5 | 2% |
| ...% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 | 2% |
| ...% | - | - | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | | |
| | | | | | | | | | | | | | | | | | | | 150 | 49% |
| ...% | 20 | 54% | 21 | 47% | 2 | 33% | 5 | 38% | 9 | 56% | 8 | 38% | 15 | 48% | 4 | 67% | 4 | 40% | 141 | 45% |
| ...% | 15 | 40% | 22 | 49% | 4 | 67% | 8 | 62% | 7 | 44% | 12 | 57% | 12 | 39% | 2 | 33% | 6 | 60% | 12 | 4% |
| ...% | 1 | 3% | - | - | - | - | - | - | - | - | 1 | 5% | 3 | 10% | - | - | - | - | 7 | 2% |
| ...% | 1 | 3% | 2 | 4% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | | |
| | | | | | | | | | | | | | | | | | 1 | 10% | 21 | 7% |
| | | | | | | | | | 1 | 6% | 2 | 10% | 4 | 13% | - | - | 9 | 90% | 248 | 80% |
| ...% | 2 | 5% | 3 | 7% | 1 | 17% | - | - | 13 | 81% | 17 | 80% | 25 | 81% | 6 | 100% | - | - | 36 | 12% |
| ...% | 30 | 81% | 38 | 85% | 5 | 83% | 11 | 85% | 2 | 13% | 2 | 10% | 2 | 6% | - | - | - | - | 5 | 1% |
| ...% | 5 | 14% | 2 | 4% | - | - | 2 | 15% | - | - | - | - | - | - | - | - | | | | |
| ...% | - | - | 2 | 4% | - | - | - | - | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | 3 | 30% | 78 | 25% |
| ...% | 13 | 35% | 16 | 36% | 3 | 50% | 1 | 8% | 3 | 19% | 6 | 29% | 9 | 29% | 1 | 17% | 5 | 50% | 154 | 50% |
| ...% | 18 | 49% | 23 | 51% | 3 | 50% | 6 | 46% | 7 | 44% | 11 | 52% | 15 | 48% | 4 | 66% | 2 | 20% | 72 | 23% |
| ...% | 6 | 16% | 5 | 11% | - | - | 6 | 46% | 5 | 31% | 4 | 19% | 7 | 23% | 1 | 17% | - | - | 6 | 2% |
| ...% | - | - | 1 | 2% | - | - | - | - | 1 | 6% | - | - | - | - | - | - | | | | |
| | | | | | | | | | | | | | | | | | - | - | 23 | 8% |
| | | | | | | | | | 1 | 6% | 1 | 5% | 1 | 3% | 1 | 17% | 4 | 40% | 128 | 41% |
| ...% | 4 | 11% | 4 | 9% | 1 | 16% | - | - | 7 | 44% | 11 | 52% | 15 | 49% | 1 | 17% | 6 | 60% | 152 | 49% |
| ...% | 17 | 46% | 16 | 36% | 1 | 17% | 5 | 38% | 8 | 50% | 9 | 43% | 14 | 45% | 4 | 66% | - | - | 7 | 2% |
| ...% | 16 | 43% | 24 | 53% | 4 | 67% | 8 | 62% | - | - | - | - | 1 | 3% | - | - | | | | |
| ...% | - | - | 1 | 2% | - | - | - | - | | | | | | | | | | | | |

| 11. Importance Attached to Finance Plan Factors: | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members the Tex Associa of Sch Administ | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Per |
| a. Allowance for Regional Costs: | | | | | | | | | | | | | | |
| Essential | 19 | 40% | 6 | 38% | 22 | 36% | 12 | 32% | 27 | 60% | 4 | 67% | 4 | 3 |
| Desirable | 15 | 31% | 9 | 56% | 31 | 50% | 20 | 54% | 15 | 33% | 2 | 33% | 9 | 6 |
| Unnecessary | 11 | 23% | 1 | 6% | 4 | 7% | 5 | 14% | 2 | 5% | - | - | - | - |
| No answer | 3 | 6% | - | - | 4 | 7% | - | - | 1 | 2% | - | - | - | - |
| b. Phased Implementation of New Plan: | | | | | | | | | | | | | | |
| Essential | 14 | 29% | 10 | 63% | 23 | 38% | 13 | 35% | 26 | 58% | 5 | 83% | 2 | 1 |
| Desirable | 26 | 54% | 3 | 19% | 29 | 47% | 20 | 54% | 12 | 27% | 1 | 17% | 10 | 7 |
| Unnecessary | 5 | 11% | 2 | 12% | 6 | 10% | 3 | 8% | 6 | 13% | - | - | 1 | 6 |
| No answer | 3 | 6% | 1 | 6% | 3 | 5% | 1 | 3% | 1 | 2% | - | - | - | - |
| c. Allowances for Municipal Districts: | | | | | | | | | | | | | | |
| Essential | 16 | 33% | 6 | 37% | 11 | 18% | 5 | 13% | 16 | 36% | 4 | 67% | 3 | 2 |
| Desirable | 13 | 27% | 7 | 44% | 35 | 58% | 15 | 41% | 22 | 49% | 2 | 33% | 5 | 3 |
| Unnecessary | 15 | 31% | 3 | 19% | 10 | 16% | 15 | 41% | 6 | 13% | - | - | 5 | 3 |
| No answer | 4 | 9% | - | - | 5 | 8% | 2 | 5% | 1 | 4% | - | - | - | - |
| d. Ease of Administering Plan: | | | | | | | | | | | | | | |
| Essential | 23 | 48% | 4 | 25% | 27 | 44% | 21 | 57% | 24 | 53% | 3 | 50% | 8 | 6 |
| Desirable | 16 | 33% | 9 | 56% | 30 | 49% | 12 | 32% | 14 | 31% | 3 | 50% | 5 | 3 |
| Unnecessary | 3 | 6% | 3 | 19% | 1 | 2% | 3 | 8% | 4 | 9% | - | - | - | - |
| No answer | 6 | 13% | - | - | 3 | 5% | 1 | 3% | 3 | 7% | - | - | - | - |
| e. Recognition of Differences in Program Operating Costs: | | | | | | | | | | | | | | |
| Essential | 30 | 63% | 13 | 81% | 40 | 65% | 25 | 68% | 37 | 82% | 2 | 33% | 9 | 6 |
| Desirable | 10 | 21% | 2 | 13% | 18 | 30% | 11 | 29% | 7 | 16% | 4 | 67% | 3 | 2 |
| Unnecessary | 3 | 6% | 1 | 6% | - | - | - | - | - | - | - | - | 1 | 8 |
| No answer | 5 | 10% | - | - | 3 | 5% | 1 | 3% | 1 | 2% | - | - | - | - |
| f. Problems Faced by Districts with Declining Enrollments: | | | | | | | | | | | | | | |
| Essential | 15 | 31% | 5 | 31% | 32 | 52% | 19 | 51% | 24 | 53% | 1 | 17% | 3 | 2 |
| Desirable | 24 | 50% | 8 | 50% | 25 | 41% | 15 | 41% | 18 | 40% | 4 | 66% | 7 | 5 |
| Unnecessary | 5 | 10% | 2 | 13% | - | - | 3 | 8% | 2 | 5% | 1 | 17% | 3 | 2 |
| No answer | 4 | 9% | 1 | 6% | 4 | 7% | - | - | 1 | 2% | - | - | - | - |
| g. Problems Faced by Districts with Rapidly Increasing Enrollments: | | | | | | | | | | | | | | |
| Essential | 24 | 50% | 9 | 56% | 37 | 61% | 29 | 78% | 35 | 78% | 3 | 50% | 7 | 5 |
| Desirable | 18 | 38% | 7 | 44% | 21 | 34% | 7 | 19% | 9 | 20% | 3 | 50% | 5 | 3 |
| Unnecessary | 2 | 4% | - | - | - | - | 1 | 3% | - | - | - | - | 1 | 8 |
| No answer | 4 | 8% | - | - | 3 | 5% | - | - | 1 | 2% | - | - | - | - |
| h. Statutory Minimum Compensation Schedules for Professional Employees: | | | | | | | | | | | | | | |
| Essential | 23 | 48% | 6 | 38% | 45 | 74% | 27 | 73% | 37 | 82% | 5 | 83% | 10 | 7 |
| Desirable | 12 | 25% | 7 | 44% | 10 | 16% | 10 | 27% | 6 | 14% | 1 | 17% | 3 | 2 |
| Unnecessary | 9 | 19% | 2 | 12% | 3 | 5% | - | - | 1 | 2% | - | - | - | - |
| No answer | 4 | 8% | 1 | 6% | 3 | 5% | - | - | 1 | 2% | - | - | - | - |

Exhibit B

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| | 12 | 32% | 27 | 60% | 4 | 67% | 4 | 31% | 5 | 31% | 9 | 43% | 14 | 45% | 4 | 67% | 7 | 70% | 133 | 43% |
| | 20 | 54% | 15 | 33% | 2 | 33% | 9 | 69% | 9 | 56% | 9 | 43% | 12 | 39% | 2 | 33% | 3 | 30% | 136 | 44% |
| | 5 | 14% | 2 | 5% | - | - | - | - | 2 | 13% | 3 | 14% | 4 | 13% | | - | - | - | 32 | 10% |
| | - | - | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 9 | 3% |
| | 13 | 35% | 26 | 58% | 5 | 83% | 2 | 15% | 5 | 31% | 9 | 43% | 8 | 26% | 1 | 17% | 3 | 30% | 119 | 38% |
| | 20 | 54% | 12 | 27% | 1 | 17% | 10 | 77% | 9 | 56% | 10 | 47% | 17 | 55% | 2 | 33% | 6 | 60% | 145 | 47% |
| | 3 | 8% | 6 | 13% | - | - | 1 | 8% | 2 | 13% | 2 | 10% | 5 | 16% | 3 | 50% | 1 | 10% | 36 | 12% |
| | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 10 | 3% |
| | 5 | 13% | 16 | 36% | 4 | 67% | 3 | 24% | 3 | 19% | 9 | 43% | 4 | 13% | 1 | 17% | 4 | 40% | 82 | 26% |
| | 15 | 41% | 22 | 49% | 2 | 33% | 5 | 38% | 8 | 50% | 8 | 38% | 18 | 58% | 3 | 50% | 2 | 20% | 138 | 45% |
| | 15 | 41% | 6 | 13% | - | - | 5 | 38% | 5 | 31% | 4 | 19% | 8 | 26% | 2 | 33% | 3 | 30% | 76 | 25% |
| | 2 | 5% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | 1 | 10% | 14 | 4% |
| | 21 | 57% | 24 | 53% | 3 | 50% | 8 | 62% | 10 | 63% | 10 | 47% | 10 | 32% | 3 | 50% | 4 | 40% | 147 | 48% |
| | 12 | 32% | 14 | 31% | 3 | 50% | 5 | 38% | 6 | 37% | 10 | 48% | 17 | 55% | 2 | 33% | 6 | 60% | 130 | 42% |
| | 3 | 8% | 4 | 9% | - | - | - | - | - | - | 1 | 5% | 1 | 3% | 1 | 17% | - | - | 17 | 5% |
| | 1 | 3% | 3 | 7% | - | - | - | - | - | - | - | - | 3 | 10% | - | - | - | - | 16 | 5% |
| | 25 | 68% | 37 | 82% | 2 | 33% | 9 | 69% | 16 | 100% | 12 | 57% | 20 | 65% | 6 | 100% | 8 | 80% | 218 | 70% |
| | 11 | 29% | 7 | 16% | 4 | 67% | 3 | 23% | - | - | 6 | 29% | 9 | 29% | - | - | 2 | 20% | 72 | 23% |
| | - | - | - | - | - | - | 1 | 8% | - | - | 3 | 14% | 1 | 3% | - | - | - | - | 9 | 3% |
| | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 11 | 4% |
| | 19 | 51% | 24 | 53% | 1 | 17% | 3 | 23% | 3 | 19% | 6 | 29% | 13 | 42% | 2 | 33% | 3 | 30% | 126 | 41% |
| | 15 | 41% | 18 | 40% | 4 | 66% | 7 | 54% | 11 | 69% | 12 | 57% | 14 | 45% | 3 | 50% | 7 | 70% | 148 | 48% |
| | 3 | 8% | 2 | 5% | 1 | 17% | 3 | 23% | 2 | 12% | 3 | 14% | 3 | 10% | 1 | 17% | - | - | 25 | 8% |
| | - | - | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 11 | 3% |
| | 29 | 78% | 35 | 78% | 3 | 50% | 7 | 54% | 8 | 50% | 17 | 81% | 19 | 61% | 4 | 66% | 5 | 50% | 197 | 64% |
| | 7 | 19% | 9 | 20% | 3 | 50% | 5 | 38% | 8 | 50% | 4 | 19% | 10 | 32% | 1 | 17% | 5 | 50% | 98 | 31% |
| | 1 | 3% | - | - | - | - | 1 | 8% | - | - | - | - | 1 | 4% | 1 | 17% | - | - | 6 | 2% |
| | - | - | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 9 | 3% |
| | 27 | 73% | 37 | 82% | 5 | 83% | 10 | 77% | 9 | 56% | 17 | 81% | 20 | 65% | 5 | 83% | 6 | 60% | 210 | 68% |
| | 10 | 27% | 6 | 14% | 1 | 17% | 3 | 23% | 4 | 25% | 4 | 19% | 10 | 32% | 1 | 17% | 4 | 40% | 72 | 23% |
| | - | - | 1 | 2% | - | - | - | - | 3 | 19% | - | - | - | - | - | - | - | - | 18 | 6% |
| | - | - | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 10 | 3% |

| | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Member the Assoc of S Admini |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. P |
| 11. Importance Attached to Finance Plan Factors (Continued): | | | | | | | | | | | | | |
| i. Statutory Maximum Compensation Schedules for Professional Employees: | | | | | | | | | | | | | |
| Essential | 13 | 27% | 4 | 25% | 28 | 46% | 18 | 48% | 13 | 29% | 1 | 17% | 4 |
| Desirable | 13 | 27% | 2 | 13% | 18 | 30% | 11 | 30% | 12 | 27% | 2 | 33% | 6 |
| Unnecessary | 18 | 38% | 8 | 50% | 11 | 18% | 7 | 19% | 19 | 42% | 3 | 50% | 3 |
| No answer | 4 | 8% | 2 | 12% | 4 | 6% | 1 | 3% | 1 | 2% | - | - | - |
| j. Use of Staffing Formulas to Calculate Local Funding: | | | | | | | | | | | | | |
| Essential | 14 | 29% | 5 | 31% | 31 | 51% | 24 | 64% | 27 | 60% | 3 | 50% | 8 |
| Desirable | 24 | 50% | 8 | 50% | 23 | 37% | 11 | 30% | 15 | 33% | 3 | 50% | 3 |
| Unnecessary | 6 | 13% | 3 | 19% | 3 | 5% | 1 | 3% | 2 | 5% | - | - | 2 |
| No answer | 4 | 8% | - | - | 4 | 7% | 1 | 3% | 1 | 2% | - | - | - |
| k. Use of Inflation Factors to Automatically Adjust Formula Allowances: | | | | | | | | | | | | | |
| Essential | 13 | 27% | 4 | 25% | 29 | 47% | 20 | 54% | 24 | 53% | 4 | 67% | 5 |
| Desirable | 27 | 57% | 8 | 50% | 26 | 43% | 14 | 38% | 20 | 45% | 2 | 33% | 7 |
| Unnecessary | 4 | 8% | 3 | 19% | 3 | 5% | 2 | 5% | - | - | - | - | 1 |
| No answer | 4 | 8% | 1 | 6% | 3 | 5% | 1 | 3% | 1 | 2% | - | - | - |
| l. Inner City School Problems: | | | | | | | | | | | | | |
| Essential | 15 | 31% | 9 | 56% | 11 | 18% | 10 | 27% | 23 | 51% | 2 | 33% | 5 |
| Desirable | 24 | 50% | 5 | 31% | 39 | 64% | 21 | 57% | 21 | 47% | 4 | 67% | 7 |
| Unnecessary | 5 | 11% | 2 | 13% | 6 | 10% | 6 | 16% | - | - | - | - | 1 |
| No answer | 4 | 8% | - | - | 5 | 8% | - | - | 1 | 2% | - | - | - |
| m. Sparse Area School Problems: | | | | | | | | | | | | | |
| Essential | 16 | 33% | 10 | 63% | 27 | 44% | 12 | 32% | 22 | 49% | 2 | 33% | 7 |
| Desirable | 24 | 50% | 5 | 31% | 26 | 43% | 20 | 54% | 19 | 42% | 3 | 50% | 3 |
| Unnecessary | 4 | 8% | - | - | 3 | 5% | 4 | 11% | 3 | 7% | 1 | 17% | 3 |
| No answer | 4 | 9% | 1 | 6% | 5 | 8% | 1 | 3% | 1 | 2% | - | - | - |
| n. High Proporation of Students from Non-English Speaking Families: | | | | | | | | | | | | | |
| Essential | 21 | 44% | 8 | 50% | 21 | 34% | 9 | 24% | 18 | 40% | 2 | 33% | 3 |
| Desirable | 16 | 33% | 7 | 44% | 31 | 51% | 22 | 59% | 21 | 47% | 4 | 67% | 7 |
| Unnecessary | 6 | 13% | 1 | 6% | 4 | 7% | 5 | 14% | 4 | 9% | - | - | 3 |
| No answer | 5 | 10% | - | - | 5 | 8% | 1 | 3% | 2 | 4% | - | - | - |
| o. High Proporation of Students from Low Income Families: | | | | | | | | | | | | | |
| Essential | 18 | 38% | 8 | 50% | 16 | 26% | 10 | 27% | 17 | 38% | 1 | 17% | 3 |
| Desirable | 16 | 33% | 6 | 38% | 35 | 57% | 19 | 51% | 20 | 44% | 5 | 83% | 6 |
| Unnecessary | 9 | 19% | 2 | 12% | 6 | 10% | 7 | 19% | 6 | 13% | - | - | 4 |
| No answer | 5 | 10% | - | - | 4 | 7% | 1 | 3% | 2 | 5% | - | - | - |
| p. Consolidation of School Districts with Low Enrollments: | | | | | | | | | | | | | |
| Essential | 19 | 40% | 9 | 56% | 20 | 33% | 14 | 38% | 28 | 62% | 2 | 33% | 6 |
| Desirable | 19 | 40% | 5 | 31% | 19 | 31% | 16 | 43% | 11 | 25% | 4 | 67% | 5 |
| Unnecessary | 6 | 12% | 2 | 13% | 19 | 31% | 7 | 19% | 5 | 11% | - | - | 2 |
| No answer | 4 | 8% | - | - | 3 | 5% | - | - | 1 | 2% | - | - | - |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| hool per-ndents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Percent | | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 46% | | 18 | 48% | 13 | 29% | 1 | 17% | 4 | 31% | 4 | 25% | 4 | 19% | 9 | 29% | 5 | 83% | 1 | 10% | 104 | 34% |
| 30% | | 11 | 30% | 12 | 27% | 2 | 33% | 6 | 46% | 6 | 38% | 8 | 38% | 15 | 48% | 1 | 17% | 5 | 50% | 99 | 32% |
| 18% | | 7 | 19% | 19 | 42% | 3 | 50% | 3 | 23% | 6 | 37% | 9 | 43% | 6 | 19% | - | - | 4 | 40% | 94 | 30% |
| 6% | | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 1 | 4% | - | - | - | - | 13 | 4% |
| 51% | | 24 | 64% | 27 | 60% | 3 | 50% | 8 | 62% | 6 | 38% | 10 | 47% | 13 | 42% | 1 | 17% | 5 | 50% | 147 | 47% |
| 37% | | 11 | 30% | 15 | 33% | 3 | 50% | 3 | 23% | 9 | 56% | 8 | 38% | 15 | 48% | 4 | 66% | 3 | 30% | 126 | 41% |
| 5% | | 1 | 3% | 2 | 5% | - | - | 2 | 15% | 1 | 6% | 1 | 5% | 1 | 3% | 1 | 17% | 2 | 20% | 23 | 7% |
| 7% | | 1 | 3% | 1 | 2% | - | - | - | - | - | - | 2 | 10% | 2 | 7% | - | - | - | - | 14 | 5% |
| 47% | | 20 | 54% | 24 | 53% | 4 | 67% | 5 | 38% | 8 | 50% | 14 | 66% | 13 | 42% | 3 | 50% | 5 | 50% | 142 | 46% |
| 43% | | 14 | 38% | 20 | 45% | 2 | 33% | 7 | 54% | 7 | 44% | 6 | 29% | 15 | 48% | 3 | 50% | 3 | 30% | 138 | 45% |
| 5% | | 2 | 5% | - | - | - | - | 1 | 8% | - | - | 1 | 5% | 1 | 3% | - | - | 2 | 20% | 17 | 5% |
| 5% | | 1 | 3% | 1 | 2% | - | - | - | - | 1 | 6% | - | - | 2 | 7% | - | - | - | - | 13 | 4% |
| 18% | | 10 | 27% | 23 | 51% | 2 | 33% | 5 | 38% | 5 | 31% | 7 | 33% | 14 | 45% | 4 | 67% | 5 | 50% | 110 | 35% |
| 64% | | 21 | 57% | 21 | 47% | 4 | 67% | 7 | 54% | 9 | 56% | 10 | 48% | 9 | 29% | 2 | 33% | 3 | 30% | 154 | 50% |
| 10% | | 6 | 16% | - | - | - | - | 1 | 8% | 2 | 13% | 3 | 14% | 6 | 19% | - | - | 2 | 20% | 33 | 11% |
| 8% | | - | - | 1 | 2% | - | - | - | - | - | - | 1 | 5% | 2 | 7% | - | - | - | - | 13 | 4% |
| 44% | | 12 | 32% | 22 | 49% | 2 | 33% | 7 | 54% | 5 | 31% | 6 | 29% | 18 | 58% | 5 | 83% | 5 | 50% | 135 | 44% |
| 43% | | 20 | 54% | 19 | 42% | 3 | 50% | 3 | 23% | 9 | 56% | 13 | 62% | 6 | 19% | 1 | 17% | 3 | 30% | 132 | 43% |
| 5% | | 4 | 11% | 3 | 7% | 1 | 17% | 3 | 23% | 2 | 13% | 2 | 9% | 5 | 16% | - | - | 2 | 20% | 29 | 9% |
| 8% | | 1 | 3% | 1 | 2% | - | - | - | - | - | - | - | - | 2 | 7% | - | - | - | - | 14 | 4% |
| 34% | | 9 | 24% | 18 | 40% | 2 | 33% | 3 | 23% | 5 | 31% | 6 | 29% | 10 | 32% | 4 | 67% | 2 | 20% | 109 | 35% |
| 51% | | 22 | 59% | 21 | 47% | 4 | 67% | 7 | 54% | 10 | 63% | 12 | 57% | 15 | 48% | 2 | 33% | 6 | 60% | 153 | 49% |
| 7% | | 5 | 14% | 4 | 9% | - | - | 3 | 23% | 1 | 6% | 3 | 14% | 5 | 16% | - | - | 2 | 20% | 34 | 11% |
| 8% | | 1 | 3% | 2 | 4% | - | - | - | - | - | - | - | - | 1 | 4% | - | - | - | - | 14 | 5% |
| 26% | | 10 | 27% | 17 | 38% | 1 | 17% | 3 | 23% | 5 | 31% | 4 | 19% | 9 | 29% | 4 | 67% | 2 | 20% | 97 | 31% |
| 57% | | 19 | 51% | 20 | 44% | 5 | 83% | 6 | 46% | 10 | 63% | 13 | 62% | 15 | 48% | 2 | 33% | 4 | 40% | 151 | 49% |
| 10% | | 7 | 19% | 6 | 13% | - | - | 4 | 31% | 1 | 6% | 4 | 19% | 6 | 17% | - | - | 4 | 40% | 49 | 16% |
| 7% | | 1 | 3% | 2 | 5% | - | - | - | - | - | - | - | - | 1 | 4% | - | - | - | - | | 4% |
| 33% | | 14 | 38% | 28 | 62% | 2 | 33% | 6 | 46% | 8 | 50% | 9 | 43% | 6 | 19% | 6 | 100% | 6 | 60% | 133 | 43% |
| 31% | | 16 | 43% | 11 | 25% | 4 | 67% | 5 | 38% | 7 | 44% | 8 | 38% | 3 | 10% | - | - | 4 | 40% | 101 | 33% |
| 31% | | 7 | 19% | 5 | 11% | - | - | 2 | 16% | - | - | 4 | 19% | 21 | 68% | - | - | - | - | 66 | 21% |
| 5% | | - | - | 1 | 2% | - | - | - | - | 1 | 6% | - | - | 1 | 3% | - | - | - | - | 10 | 3% |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| | Legislative members and candicates | | State Board of Education members and candidates | | School Super-intendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 12. Do You Favor: | | | | | | | | | | | | | | |
| a. State collection of ad valorem taxes? | | | | | | | | | | | | | | |
| Yes | 12 | 25% | 3 | 19% | 17 | 28% | 16 | 43% | 9 | 20% | 1 | 17% | 4 | 31% |
| No | 30 | 63% | 11 | 69% | 35 | 57% | 17 | 46% | 34 | 76% | 5 | 83% | 6 | 46% |
| No answer | 6 | 12% | 2 | 12% | 9 | 15% | 4 | 11% | 2 | 4% | - | - | 3 | 23% |
| b. State supervision of local ad valorem tax collections? | | | | | | | | | | | | | | |
| Yes | 22 | 46% | 3 | 19% | 32 | 52% | 19 | 51% | 23 | 51% | 5 | 83% | 7 | 54% |
| No | 22 | 46% | 10 | 62% | 17 | 28% | 15 | 41% | 18 | 40% | 1 | 17% | 3 | 23% |
| No answer | 4 | 8% | 3 | 19% | 12 | 20% | 3 | 8% | 4 | 9% | - | - | 3 | 23% |
| c. State supervision of property appraisal? | | | | | | | | | | | | | | |
| Yes | 27 | 56% | 8 | 50% | 43 | 70% | 25 | 68% | 36 | 80% | 6 | 100% | 10 | 77% |
| No | 15 | 31% | 8 | 50% | 11 | 18% | 8 | 21% | 8 | 18% | - | - | 2 | 15% |
| No answer | 6 | 13% | - | - | 7 | 12% | 4 | 11% | 1 | 2% | - | - | 1 | 8% |
| d. Regional collection and administration of ad valorem taxes? | | | | | | | | | | | | | | |
| Yes | 18 | 38% | 5 | 31% | 22 | 36% | 8 | 21% | 14 | 31% | 4 | 67% | 4 | 31% |
| No | 22 | 46% | 10 | 63% | 30 | 49% | 28 | 76% | 26 | 58% | 2 | 33% | 6 | 46% |
| No answer | 8 | 16% | 1 | 6% | 9 | 15% | 1 | 3% | 5 | 11% | - | - | 3 | 23% |
| e. Other suggestions: | | | | | | | | | | | | | | |
| X1. State appraisal of difficult properties, local appraisal of other properties based on recent sales data | - | - | - | - | - | - | - | - | 1 | 2% | - | - | - | - |
| X2. Use regional districts for appraisal | - | - | - | - | 1 | 2% | - | - | - | - | - | - | - | - |
| X3. County appraisal with regional supervision | 1 | 2% | - | - | 1 | 2% | - | - | - | - | - | - | - | - |
| X4. Counties required to hire professionals to appraise property at market value | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X5. Each district should solve its own ad valorem tax problems | 1 | 2% | 1 | 6% | - | - | 1 | 3% | - | - | - | - | - | - |
| X6. Impose documentary stamp tax for equalization assistance | - | - | 1 | 6% | - | - | - | - | - | - | - | - | - | - |
| X7. Texas too big and diverse to continue property tax - Abolish it | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - |

Exhibit B
II

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 1[illegible] | 43% | 9 | 20% | 1 | 17% | 4 | 31% | 3 | 19% | 6 | 28% | 13 | 42% | 1 | 17% | 1 | 10% | 86 | 28% |
| 17 | 46% | 34 | 76% | 5 | 83% | 6 | 46% | 13 | 81% | 14 | 67% | 16 | 52% | 5 | 83% | 9 | 90% | 195 | 63% |
| 4 | 11% | 2 | 4% | - | - | 3 | 23% | - | - | 1 | 5% | 2 | 6% | - | - | - | - | 29 | 9% |
| 19 | 51% | 23 | 51% | 5 | 83% | 7 | 54% | 7 | 44% | 14 | 67% | 15 | 48% | 3 | 50% | 7 | 70% | 157 | 51% |
| 15 | 41% | 18 | 40% | 1 | 17% | 3 | 23% | 7 | 44% | 7 | 33% | 13 | 42% | 3 | 50% | 3 | 30% | 119 | 38% |
| 3 | 8% | 4 | 9% | - | - | 3 | 23% | 2 | 12% | - | - | 3 | 10% | - | - | - | - | 34 | 11% |
| 25 | 68% | 36 | 80% | 6 | 100% | 10 | 77% | 13 | 81% | 19 | 90% | 16 | 52% | 2 | 33% | 10 | 100% | 215 | 69% |
| 8 | 21% | 8 | 18% | - | - | 2 | 15% | 2 | 13% | 1 | 5% | 11 | 35% | 4 | 67% | - | - | 70 | 23% |
| 4 | 11% | 1 | 2% | - | - | 1 | 8% | 1 | 6% | 1 | 5% | 4 | 13% | - | - | - | - | 25 | 8% |
| 8 | 21% | 14 | 31% | 4 | 67% | 4 | 31% | 4 | 25% | 9 | 43% | 7 | 23% | 2 | 33% | 4 | 40% | 101 | 33% |
| 28 | 76% | 26 | 58% | 2 | 33% | 6 | 46% | 10 | 63% | 12 | 57% | 19 | 61% | 4 | 67% | 6 | 60% | 175 | 56% |
| 1 | 3% | 5 | 11% | - | - | 3 | 23% | 2 | 12% | - | - | 5 | 16% | - | - | - | - | 34 | 11% |
| - | - | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 17% | - | - | 3 | 1% |
| - | - | - | - | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 1 | 0% |
| 1 | 3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3 | 1% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | - | - | - | - | 1 | 3% | - | - | - | - | 2 | 1% |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| | Legislative members and candidates | | State Board of Education members and candidates | | School Super-intendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 13. Which of the following taxes are preferred if additional State revenues are needed? | | | | | | | | | | | | | | |
| a. Sales tax increase | 13 | 27% | 5 | 31% | 27 | 44% | 22 | 59% | 18 | 40% | - | - | 6 | 46% |
| b. Individual income tax | 4 | 8% | 2 | 13% | 15 | 25% | 4 | 11% | 7 | 16% | 3 | 50% | 4 | 31% |
| c. Corporation income tax | 19 | 40% | 3 | 19% | 23 | 38% | 12 | 32% | 25 | 56% | 6 | 100% | 5 | 38% |
| d. Luxury tax | 6 | 13% | 4 | 25% | 8 | 13% | 8 | 22% | 8 | 18% | - | - | 1 | 8% |
| e. Production and regulation tax increase | 2 | 4% | - | - | - | - | 2 | 5% | 3 | 7% | 1 | 17% | - | - |
| f. Value added tax | 2 | 4% | 3 | 19% | 3 | 5% | 3 | 8% | 2 | 4% | 1 | 17% | 2 | 15% |
| g. Liquor and beer tax increase | 15 | 31% | 5 | 31% | 33 | 54% | 19 | 51% | 17 | 38% | 1 | 17% | 2 | 15% |
| h. Pari-mutual betting tax | 12 | 25% | 4 | 25% | 13 | 21% | 7 | 19% | 7 | 16% | 2 | 33% | 2 | 15% |
| i. Cigarette tax increase | 7 | 15% | 4 | 25% | 16 | 26% | 7 | 19% | 5 | 11% | - | - | 1 | 8% |
| j. Intangible property tax | 3 | 6% | - | - | 3 | 5% | 2 | 5% | 1 | 2% | - | - | 1 | 8% |
| k. Real property tax (State) | 6 | 13% | 1 | 6% | 7 | 11% | 2 | 5% | 1 | 2% | - | - | 1 | 8% |
| l. Real property tax (Local) | 1 | 2% | - | - | 2 | 4% | 1 | 3% | - | - | - | - | - | - |
| m. Personal property tax | 2 | 4% | - | - | 1 | 2% | - | - | 2 | 4% | - | - | - | - |
| n. Automobile tax (annual property tax) | 5 | 10% | 1 | 6% | 14 | 23% | 7 | 19% | 4 | 9% | - | - | 3 | 23% |
| X1. Remove all sales tax exemptions | - | - | - | - | - | - | 2 | 5% | - | - | - | - | - | - |
| X2. Include services in sales tax | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - |
| X3. State lottery | 2 | 4% | - | - | - | - | - | - | - | - | - | - | - | - |
| X4. Soft drink tax | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - |
| X5. Abandoned property tax | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - |
| X6. Increase gasoline tax | 1 | 2% | - | - | - | - | - | - | 1 | 2% | - | - | 1 | 8% |
| X7. Oil & gas pipeline tax on originating and "passing through", oil and gas | 1 | 2% | - | - | - | - | - | - | - | - | - | - | - | - |
| 14. Which of the following factors should be used in determining teacher salaries? | | | | | | | | | | | | | | |
| a. Years of experience | 41 | 85% | 12 | 75% | 54 | 89% | 35 | 95% | 43 | 96% | 6 | 100% | 9 | 69% |
| b. Amount of college training | 39 | 81% | 12 | 75% | 54 | 89% | 35 | 95% | 45 | 100% | 6 | 100% | 10 | 77% |
| c. Quality of individual work | 36 | 75% | 13 | 81% | 35 | 57% | 23 | 62% | 27 | 60% | 4 | 67% | 7 | 54% |
| d. National teacher salary averages | 12 | 25% | 2 | 13% | 19 | 31% | 11 | 30% | 27 | 60% | 4 | 67% | 3 | 23% |
| e. Grade taught | 5 | 10% | 3 | 19% | 3 | 5% | - | - | 2 | 4% | - | - | - | - |
| f. Subjects taught | 11 | 23% | 4 | 25% | 8 | 13% | 2 | 5% | 3 | 7% | - | - | - | - |
| g. Geographic location of assignment | 13 | 27% | 7 | 44% | 19 | 31% | 13 | 35% | 9 | 20% | 3 | 50% | 7 | 54% |
| h. Statutory minimum compensation schedule | 21 | 44% | 6 | 38% | 43 | 70% | 27 | 73% | 36 | 80% | 5 | 83% | 10 | 77% |
| i. Statutory maximum compensation schedule | 15 | 31% | 2 | 13% | 31 | 51% | 17 | 46% | 15 | 33% | 2 | 33% | 6 | 46% |
| Not responding | 2 | 4% | - | - | - | - | - | - | - | - | - | - | 1 | 8% |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 22 | 59% | 18 | 40% | - | - | 6 | 46% | 8 | 50% | 8 | 38% | 12 | 39% | 2 | 33% | 3 | 30% | 124 | 40% |
| 4 | 11% | 7 | 16% | 3 | 50% | 4 | 31% | 6 | 38% | 2 | 10% | 5 | 16% | - | - | - | - | 52 | 17% |
| 12 | 32% | 25 | 56% | 6 | 100% | 5 | 38% | 10 | 63% | 9 | 43% | 11 | 35% | 2 | 33% | 4 | 40% | 129 | 42% |
| 8 | 22% | 8 | 18% | - | - | 1 | 8% | 2 | 13% | 2 | 10% | 4 | 13% | - | - | - | - | 43 | 14% |
| 2 | 5% | 3 | 7% | 1 | 17% | - | - | - | - | 2 | 10% | 2 | 6% | 1 | 17% | 1 | 10% | 14 | 5% |
| 3 | 8% | 2 | 4% | 1 | 17% | 2 | 15% | 1 | 6% | 2 | 10% | 1 | 3% | - | - | 2 | 20% | 22 | 7% |
| 19 | 51% | 17 | 38% | 1 | 17% | 2 | 15% | 4 | 25% | 11 | 52% | 16 | 52% | 2 | 33% | 4 | 40% | 129 | 42% |
| 7 | 19% | 7 | 16% | 2 | 33% | 2 | 15% | 1 | 6% | 4 | 19% | 6 | 19% | 2 | 33% | 2 | 20% | 62 | 20% |
| 7 | 19% | 5 | 11% | - | - | 1 | 8% | - | - | 9 | 43% | 7 | 23% | 2 | 33% | 2 | 20% | 60 | 19% |
| 2 | 5% | 1 | 2% | - | - | 1 | 8% | - | - | - | - | 3 | 10% | - | - | 1 | 10% | 14 | 5% |
| 2 | 5% | 1 | 2% | - | - | 1 | 8% | - | - | 1 | 5% | 1 | 3% | - | - | - | - | 20 | 6% |
| 1 | 3% | - | - | - | - | - | - | - | - | 1 | 5% | 3 | 10% | - | - | - | - | 8 | 3% |
| - | - | 2 | 4% | - | - | - | - | - | - | 1 | 5% | 2 | 6% | - | - | 1 | 10% | 9 | 3% |
| 7 | 19% | 4 | 9% | - | - | 3 | 23% | 1 | 6% | 1 | 5% | 4 | 13% | 1 | 17% | 2 | 20% | 43 | 14% |
| 2 | 5% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 1% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | - | - | 1 | 5% | - | - | 1 | 17% | - | - | 4 | 1% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| - | - | 1 | 2% | - | - | 1 | 8% | - | - | - | - | 1 | 3% | - | - | - | - | 4 | 1% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 0% |
| 35 | 95% | 43 | 96% | 6 | 100% | 9 | 69% | 14 | 88% | 19 | 90% | 28 | 90% | 5 | 83% | 10 | 100% | 276 | 89% |
| 35 | 95% | 45 | 100% | 6 | 100% | 10 | 77% | 15 | 94% | 16 | 76% | 29 | 94% | 6 | 100% | 9 | 90% | 276 | 89% |
| 23 | 62% | 27 | 60% | 4 | 67% | 7 | 54% | 12 | 75% | 17 | 81% | 14 | 45% | 5 | 83% | 6 | 60% | 199 | 64% |
| 11 | 30% | 27 | 60% | 4 | 67% | 3 | 23% | 3 | 19% | 8 | 38% | 12 | 39% | 1 | 17% | 4 | 40% | 106 | 34% |
| - | - | 2 | 4% | - | - | - | - | 2 | 13% | - | - | 1 | 3% | 1 | 17% | - | - | 17 | 5% |
| 2 | 5% | 3 | 7% | - | - | - | - | 5 | 31% | 1 | 5% | 3 | 10% | 2 | 33% | - | - | 39 | 13% |
| 13 | 35% | 9 | 20% | 3 | 50% | 7 | 54% | 3 | 19% | 3 | 14% | 6 | 19% | 2 | 33% | 4 | 40% | 89 | 29% |
| 27 | 73% | 36 | 80% | 5 | 83% | 10 | 77% | 10 | 63% | 18 | 86% | 26 | 84% | 3 | 50% | 9 | 90% | 214 | 69% |
| 17 | 46% | 15 | 33% | 2 | 33% | 6 | 46% | 5 | 31% | 5 | 24% | 11 | 35% | 1 | 17% | 6 | 60% | 116 | 37% |
| - | - | - | - | - | - | 1 | 8% | - | - | - | - | - | - | - | - | - | - | 3 | 1% |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

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| | Legislative members and candidates | | State Board of Education members and candidates | | School Superintendents | | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 15. Should the general pupil/teacher ratio of 25-to-1 be: | | | | | | | | | | | | | | |
| a. Remain the same? | 23 | 48% | 10 | 63% | 21 | 35% | 18 | 49% | 15 | 33% | - | - | 5 | 38% |
| b. Be lowered? | 18 | 38% | 5 | 31% | 38 | 62% | 17 | 46% | 30 | 67% | 6 | 100% | 6 | 46% |
| c. Be increased? | - | - | - | - | 2 | 3% | 2 | 5% | - | - | - | - | 1 | 8% |
| X1. Based on ratios for individual courses? | 4 | 8% | - | - | - | - | - | - | - | - | - | - | - | - |
| No answer | 3 | 6% | 1 | 6% | - | - | - | - | - | - | - | - | 1 | 8% |
| 16. Should teacher salaries be adjusted automatically each year to reflect changes in: | | | | | | | | | | | | | | |
| a. National teacher salary averages? | 9 | 19% | - | - | 20 | 33% | 13 | 35% | 25 | 56% | 3 | 50% | 2 | 15% |
| b. Statewide cost-of-living increases? | 34 | 71% | 10 | 63% | 40 | 66% | 21 | 57% | 35 | 78% | 4 | 67% | 10 | 77% |
| c. Statewide average salaries for similar professions? | 13 | 27% | 5 | 31% | 25 | 41% | 9 | 24% | 16 | 36% | 3 | 50% | 3 | 23% |
| X1. There should be no "automatic" adjustments | 2 | 4% | 1 | 6% | 2 | 3% | 1 | 3% | - | - | - | - | - | - |
| Not responding | 5 | 10% | - | - | 1 | 2% | 1 | 3% | - | - | - | - | 1 | 8% |

TEXAS SENATE COMMITTEE TO STUDY SCHOOL FINANCE

School Finance Questionnaire Results

September 12, 1972

| hool per-dents | School Board Presidents | | Members of the Texas State Teachers Association | | Members of the Texas Classroom Teachers Association | | Members of the Texas Association of School Administrators | | Members of the Texas Association of School Boards | | Members of the Texas Association of Secondary School Principals | | Members of the Small Schools Association | | Members of the Texas Congress of PTA's | | Advisors to Senate Committee | | Composite | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| rcent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent | No. | Percent |
| 35% | 18 | 49% | 15 | 33% | - | - | 5 | 38% | 9 | 56% | 8 | 38% | 13 | 42% | 1 | 17% | 4 | 40% | 127 | 41% |
| 62% | 17 | 46% | 30 | 67% | 6 | 100% | 6 | 46% | 5 | 31% | 13 | 62% | 18 | 58% | 5 | 83% | 6 | 60% | 167 | 54% |
| 3% | 2 | 5% | - | - | - | - | 1 | 8% | 2 | 13% | - | - | - | - | - | - | - | - | 7 | 3% |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 1% |
| - | - | - | - | - | - | - | 1 | 8% | - | - | - | - | - | - | - | - | - | - | 5 | 1% |
| 33% | 13 | 35% | 25 | 56% | 3 | 50% | 2 | 15% | 3 | 19% | 4 | 19% | 6 | 19% | 2 | 33% | 3 | 30% | 90 | 29% |
| 66% | 21 | 57% | 35 | 78% | 4 | 67% | 10 | 77% | 10 | 63% | 13 | 62% | 27 | 87% | 4 | 67% | 7 | 70% | 215 | 69% |
| 41% | 9 | 24% | 16 | 36% | 3 | 50% | 3 | 23% | 4 | 25% | 12 | 57% | 13 | 42% | 2 | 33% | 3 | 30% | 108 | 35% |
| 3% | 1 | 3% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6 | 2% |
| 2% | 1 | 3% | - | - | - | - | 1 | 8% | 1 | 6% | - | - | - | - | - | - | 1 | 10% | 10 | 3% |